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Letter dated 14 October 2002 from the Chairman of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola addressed to the President of the Security Council

In accordance with paragraph 7 of Security Council resolution 1404 (2002) of 18 April 2002, I have the honour to transmit herewith the additional report of the Monitoring Mechanism on Sanctions against UNITA. I should be grateful if it could be brought to the attention of the Council members and thereafter issued as a Security Council document. Consideration of the additional report in the Committee established pursuant to resolution 864 (1993) concerning the situation in Angola has already begun. Upon the completion of the Committee's consideration, I shall officially present the report to the Security Council.

(*Signed*) Richard **Ryan**
Chairman
Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola

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Annex

Letter dated 7 October 2002 from the Chairman of the Monitoring Mechanism on Sanctions against UNITA addressed to the Chairman of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola

On behalf of the members of the Monitoring Mechanism on Sanctions against UNITA, I have the honour to enclose the Mechanism's report in accordance with paragraph 5 of resolution 1404 (2002) of 18 April 2002. I should be grateful if it could be brought to the attention of the Committee members.

(*Signed*) Juan **Larrain**
Chairman
Monitoring Mechanism on Sanctions against UNITA

Additional report of the Monitoring Mechanism on Sanctions against UNITA

I. Introduction

1. The Monitoring Mechanism on Sanctions against UNITA was established pursuant to paragraph 3 of Security Council resolution 1295 (2000) of 18 April 2000. This report is being submitted pursuant to paragraph 5 of resolution 1404 (2002) of 18 April 2002. It is the sixth[1] in a series submitted to the Security Council since the Mechanism's appointment in July 2000. The members of the Mechanism are Ambassador Juan Larrain (Chile), Chairman; Ms. Christine Gordon (United Kingdom of Great Britain and Northern Ireland); Mr. Wilson Kalumba (Zambia); and Mr. Ismaila Seck (Senegal).

2. A number of historic developments are taking place in Angola. Since the death of Jonas Savimbi on 22 February 2002, the Government of Angola and the military leadership of the União Nacional para a Independência Total de Angola (UNITA) have taken decisive steps aimed at ending the armed conflict. These measures include the signing on 4 April 2002 of the memorandum of understanding in which the parties committed themselves to taking all necessary measures to cease hostilities. To date, there have not been any reports of resumed fighting, and the integration of senior UNITA military officers into the Angolan Armed Forces has been completed.

3. During the current reporting period, the Mechanism pursued enquiries and investigations it had initiated during its previous mandates. It followed up on investigations pertaining to the activities of individuals, private companies, government officials and institutions believed to be violating sanctions. Through correspondence addressed to numerous Member States and in visits to Angola, Belgium, Namibia, South Africa and Zambia and to the secretariats of the Southern African Development Community (SADC) and the Waassenar Arrangement, the Mechanism enquired about measures taken to increase compliance, relevant legislation that may have been enacted, and the progress of official investigations into illicit activities. Enquiries were also made as to whether the situation of some rebel groups in neighbouring countries with historical links to formerly armed elements of UNITA could negatively affect the fragile peace process in Angola. In an ongoing spirit of partnership and with a view to galvanizing international support for improving the implementation of sanctions, the Mechanism continued to rely on the cooperation of several regional organizations and intergovernmental institutions.

4. With regard to the overall implementation of sanctions resolutions against UNITA, the pattern of widespread and flagrant violations prevalent until the year 2000 has changed. Under increased international vigilance, a number of individuals, as well as industry and government officials, who aided and abetted the UNITA war machinery are no longer active. It is believed, however, that such persons constituted the tip of the iceberg. The criminal networks that greedily profited from this conflict, and whose participation was essential, have not been fully identified, prosecuted or eliminated. Rather, they have merely gone underground and the likelihood is that they are operating from countries still embroiled in conflict.

[1] S/2000/1026 (25 October 2000); S/2000/1225 and Corr.1 and 2 (21 December 2000); S/2001/363 (18 April 2001); S/2001/966 (12 October 2001); S/2002/486 (26 April 2002).

5. While the general situation in Angola encourages optimism, the magnitude of the immediate challenges ahead demands sober reflection. Information obtained by the Mechanism indicates that although the military wing of UNITA has turned over huge quantities of weapons to the Government during the present demilitarization process, considerable amounts of arms remain unaccounted for. These weapons could resurface in Angola, and be traded by well-established criminal arms brokers, across the country's porous borders, into the Democratic Republic of the Congo. The existence of unaccounted-for weapons caches which, against the backdrop of the grave humanitarian situation in the country, could be used in the future by disaffected elements as a pretext for igniting the frustrations of a people who have already suffered so tragically from this senseless war is troubling. In addition, UNITA is believed to be still in possession of stashes of illicit diamonds that have neither been located nor accounted for. Moreover, reports that diamond smuggling in the amount of approximately $1 million a day continues, despite improved certification schemes, remain a matter of concern, particularly for a commodity used to finance the conflict. Finally, while the Mechanism has been informed that a number of military officers whose names appear on the Security Council's list of senior UNITA officials have officially been integrated into the Angolan Armed Forces, it notes that a significant number of UNITA members who played vital roles in the illicit procurement of arms, smuggling of diamonds and propaganda have not yet explicitly indicated their intention of joining the peace process. Both their intentions and their status need to be clarified.

6. Given the overall scenario with regard to the implementation of sanctions, this may be an appropriate juncture to offer some preliminary observations on how the Security Council's heightened vigilance through monitoring has contributed to increased enforcement, and to what appears to have been a corresponding decrease in the rebel movement's ability to sustain its war effort.

7. In order to address these points, it may be useful to briefly describe the financial, political and military capacity of UNITA. Nearly 10 years ago, UNITA renounced United Nations-supervised elections and returned to war. Considering this a threat to international peace and security, the Security Council adopted a series of progressively comprehensive resolutions imposing sanctions against the movement. From 1993 to 1998, it imposed an arms embargo, prohibited UNITA representation and travel, froze the organization's assets, and banned the sale of diamonds not accompanied by certificates of origin.

8. These internationally binding resolutions were nevertheless violated with impunity. UNITA continued to increase and consolidate its vast military arsenal in spite of sanctions. It became one of the best-equipped rebel forces in Africa, with an army of at least 80,000 men equipped with everything from landmines and assault rifles to tanks, rocket launchers and anti-aircraft missiles. It was the largest single source of illicit diamonds in the world in the mid-1990s. Estimates indicate that, from 1993 to 1998, UNITA associates had a revenue from the sale of smuggled diamonds of approximately $2 billion to $4 billion. Although it is difficult to verify these figures with precision, a review of the list of UNITA arms that has been turned over to the Government during the current demilitarization process reveals that enormous sums of money, in line with these diamond revenue estimates, would have been required for UNITA to equip itself as a fully fledged army.

9. Faced with these circumstances, in 1998 the Security Council requested the Secretary-General to submit recommendations with a view to improving the implementation of sanctions against UNITA. In his report of 17 January 1999 (S/1999/49), the Secretary-General suggested, inter alia, that the Council could commission an expert study focusing on possible ways of tracing violations of the measures regarding arms trafficking, oil supply and the diamond trade, as well as the movement of UNITA funds. In May 1999, the Council appointed a Panel of Experts for a six-month period to investigate and report on violations. The Panel, which submitted its report to the Council in March 2000 (S/2000/203), identified a number of individuals and government officials believed to be profiting from or openly supporting the UNITA rebel war. In April 2000, the Security Council took a further step by indicating that, beyond the naming of individual violators alone, a more comprehensive approach would be required in order to stop such patterns of behaviour. It requested the Secretary-General to establish the Monitoring Mechanism on Sanctions against UNITA, mandating it not only to investigate violations, but to do so with a view to improving the implementation of the sanctions.

10. Under the guidance of the Committee established pursuant to resolution 864 (1993) concerning the situation in Angola, the Mechanism considered four elements critical to its ability to carry out this mandate. The first concerns the development of internal work plans and guidelines. Work plans enabled the Mechanism to strategically focus on a set of pre-defined goals, and to make the most effective use of the resources available to it during each mandate period. Guidelines developed to govern the conduct of investigations included criteria for evaluating the validity of information gathered, as well as a coding table to assess the reliability of sources.

11. The second element concerns the use of strict evidentiary standards. As the Mechanism did not possess subpoena powers, it understood that it would not always be able to reach the standards of evidence required by a court of law. The Mechanism recognized, however, that it did have to meet the rigorous standards required by the Security Council, as well as by the "court of international public opinion". It was convinced that allegations not accompanied by a body of persuasive evidence would do nothing to advance and could even work against the objective of stopping the violations. As a result, meticulous effort was expended in the conduct of investigations. Thousands of pieces of data were analysed and assessed. The information scrutinized included diamond invoices, hundreds of flight details of aircraft believed to be involved in the transport of weapons, records of financial transactions, and hundreds of public communications UNITA used for propaganda purposes. Methods such as the forensic examination of certificates to verify the authenticity of documents, and the use of electronic resources to monitor UNITA activities, were introduced.

12. The third element concerns the goal of enlisting Governments, regional organizations and intergovernmental bodies to cooperate in the implementation of sanctions. This effort was regarded as essential, for the Mechanism considered that, if this could be put in place parallel to its own work and its investigations, a synergistic effect could be produced. The objective was to change a situation in which the violation of sanctions had been the norm to one in which, through such concerted efforts, compliance with sanctions could be greatly enhanced. For example, the collaborative and coordinated relationship established with the Organization of African Unity Ad Hoc Committee on the Implementation of Sanctions against UNITA (see annex I) became a key factor in the attempts to

increase compliance on the continent. Simultaneously, the exchanges conducted with the Economic Community of West African States (ECOWAS) and SADC, as well as the actions taken by the European Union to freeze assets, proved extremely constructive. Further, the Mechanism held consultations with representatives of intergovernmental organizations such as Interpol, the World Customs Organization, the International Civil Aviation Organization (ICAO) and the Waassenar Arrangement to enlist the assistance of their respective institutions in halting violations and increasing compliance.

13. The fourth element relates to the use of quiet diplomacy. The Mechanism was convinced that, in order to fully implement the second part of its mandate, namely, to improve compliance, it had to do more than produce descriptive reports containing the names of violators and violations uncovered. Meetings held to persuade government officials and other individuals to turn over to the Mechanism incriminating documents were, as was appropriate, conducted discreetly. The government official or individual concerned was firmly urged to stop being part of the problem and to become part of the solution. Similar meetings were held with government officials of countries who served as the key locations for the illicit trade in weapons, diamonds and finance, or who served as the principal bases of political support for UNITA in its justification of the war. When officials were presented with evidentiary materials, on many occasions, the violations ceased. On other occasions, quiet diplomacy was not conducted "quietly", but in hotly debated meetings with government officials who, even when presented with conclusive proof of violations, had to be emphatically reminded of the legal and moral obligations of their Governments under the Charter of the United Nations. In those instances, the Mechanism's reports to the Security Council became powerful instruments for exposing non-compliance.

14. Finally, a word should be said about some of the constraints faced. During the last two years, although the Mechanism received five mandates in periods of six, three and six months respectively, it was never certain at the end of each period whether the mandate would be extended. This start-stop-start-again approach significantly affected the conduct of the investigations. New areas of enquiry were postponed as a mandate period was drawing to a close, and then investigations had to be jump-started when mandates were renewed. UNITA and those entities and Governments that were not implementing the sanctions either by omission or commission took full advantage of this predicament by delaying responses and/or not taking appropriate action. Therefore, it would be preferable if the decision regarding the length of a mandate were to be driven by the attainment of the objectives contained in the resolution, rather than by artificially created deadlines that bear no relation to the scope of the work that needs to be carried out. In the latter situation, the Committee's need to provide guidance and to remain fully apprised of the progress being made could still be maintained through the requirement that reports be submitted periodically to the Committee.

15. The Mechanism faced a number of legal hurdles in obtaining information. As already indicated, it was neither empowered with subpoena authority nor did it possess a search warrant. It should be borne in mind that a complex network of treaties regulates international cooperation in the disclosure of information regarding compliance and non-compliance with laws. These treaties typically lay down detailed procedures for the provision of such information, together with appropriate safeguards. They also spell out limitations on and exceptions to the duty

to provide information in response to such requests. Although the Security Council, in resolutions pertaining to the Mechanism's work, strongly called upon Member States and institutions to cooperate in providing information, to enable it to discharge its duties, the absence of explicit provisions obliging States to provide detailed information to the Mechanism regarding, for example, full disclosure of the financial holdings or transactions of UNITA, presented a challenge.

16. In conclusion, the evidence available indicates that, without the involvement of a complex network of criminals, as well as industry and government officials, who either callously disregarded or defiantly violated Security Council sanctions, UNITA would not have been able to sustain the conflict of the military magnitude that it did. The experience gained also suggests that the Security Council's heightened vigilance and monitoring of violations, accompanied by greater international compliance, increased the risks and costs of those elements that profited from this war.

II. Arms component of the sanctions regime

17. The Monitoring Mechanism, since assuming its functions from July 2000, has actively probed the alleged violation of arms sanctions. During the period involved, the successive work programmes and plans of action of the Mechanism included:

- A thorough analysis of the report of the previous Panel of Experts aimed at identifying the leads related to arms sanctions violations and including them in the work programme of the Monitoring Mechanism.
- The collection of information and the development of additional leads through the conduct of several missions in many countries in Europe and Africa, where working sessions were held with officials of administrations such as defence, intelligence services, civil aviation.
- The conduct of an intelligence analysis of the information collected with the assistance of Interpol.
- The establishment of working relationships with international and regional organizations, such as Interpol, the World Customs Organization and the Waassenar Arrangement.

18. This wide-ranging and structured approach has led to significant insight into arms procurement by UNITA in violation of the sanctions.

19. The paragraphs that follow underscore the salient outcome of the investigations.

20. The examination of arms export/import procedures in relevant countries has provided the Mechanism with a better knowledge of the related legislation and control mechanisms in place to regulate the arms trade, in particular to prevent the diversion of arms to embargoed entities.

21. The Mechanism has noted that, in spite of the elaborate control system in place, some weaknesses still exist in the overall export/import chain. These shortcomings can be attributed to factors such as the absence of regulation of the activities of the brokering companies, insufficient control and verification of end-user certificates, and the lack of proper security features in the format of end-user certificates issued by the relevant African importing countries.

22. The manufacturing companies involved in the export of arms believed to have been destined for UNITA have been identified. The type, volume of equipment and the details regarding carriers and flights are equally documented.

23. A forensic examination of the end-user certificates used in the processing of arms exports has been carried out. The exercise was aimed at avoiding any dispute about whether the documents were forged or genuine.

24. Detailed information was secured regarding the country in which the seizures of military equipment destined for UNITA were made. The information included the type, number and details of the arms-related flights.

25. The brokering companies involved in the arms deals have been identified and their specific role defined.

26. The role played by Victor Bout, in particular with regard to the extensive use of his company, Air Cess, in ferrying arms destined to UNITA, has been proved beyond doubt.

27. The movement of funds related to the purchase of arms from the suppliers and details regarding the accounts and the financial institutions involved have been documented.

28. Finally, earlier reports submitted also examined the issues related to the arms caches in Angola, and the broader phenomenon of the illicit circulation and traffic of small arms in southern Africa.

Activities during the current mandate

29. The Monitoring Mechanism has centred its priorities on:

- The examination of the financial trail relating to arms exports by Romanian-based suppliers
- The examination of data pertaining to arms surrendered by UNITA
- The examination of the cross-border illicit circulation of weapons between Angola and the neighbouring countries, namely, the Democratic Republic of the Congo, Namibia and Zambia.

Findings of the financial probe relating to arms purchases

30. The Mechanism has been able to obtain additional information relating to the purchase of arms. It consists of the identification of individuals, companies and financial institutions used in securing the payments for the weapons and consequently in the violation of sanctions. The updated information is set out below.

Export by Arsenalul Armatei

31. The Mechanism has documented earlier that, in 1999, the firm Arsenalul Armatei, based in Romania, exported military equipment to a destination indicated as Burkina Faso. The export was conducted on the basis of an end-user certificate, said to have been issued by the Burkinabè authorities. The end-user certificate, following a forensic expertise, proved to be a genuine document. The export, as well as the related document, was however denied by the authorities of Burkina Faso.

32. New information obtained by the Mechanism from the Romanian authorities indicates that the financial settlement of the transaction was made through SWIFT by a company resident in Cyprus and known as Loratel Trading Ltd., Limassol. The ordering bank is Banca Turco Romana, which essentially means that Loratel Trading has or had an account with this bank — the account from which arms were paid for. The Romanian authorities have been able to provide the Mechanism with the following details relating to the financial settlement:

(a) Ordering bank: Banca Turco-Romana;

(b) Receiving bank: Banca Comerciala Romana suc. UNIREA;

(c) Amount of transfer: US$ 228,966.

33. The authorities in Cyprus confirmed the registration as an offshore company of Loratel Trading Ltd. The shareholders/directors were identified as nationals of the Federal Republic of Yugoslavia. The Mechanism has referred the case to the Yugoslav authorities.

Export by S. N. ROMARM SA

34. Similarly, it has been established that, in 1999, the firm S. N. ROMARM SA, based in Romania, exported military equipment to a destination indicated as Togo. The export was effected on the basis of Togolese end-user certificates later found to be forged, after a forensic examination. It was also documented that the arms transaction was brokered by the firm East European Shipping Corporation, based in Nassau, Bahamas. The firm Trade Investment International Ltd., based in the United Kingdom of Great Britain and Northern Ireland, was mentioned as the European representative of the East European Shipping Corporation.

35. On the basis of new information provided by the authorities of the United Kingdom and Romania, the Mechanism has been able to establish that Trade Investment International played a significant role beyond that of simply being the European representative of the East European Shipping Corporation, as it has always been known. Trade Investment International had actually provided US$ 594,420 as settlement for the transaction with the Romanian supplier of the arms, S. N. ROMARM SA, and for this purpose used their bank account held at the Union Bancaire Privée, Geneva. According to the information received from the Romanian authorities, the payments were made through the Republic National Bank, New York.

36. The United Kingdom authorities informed the Mechanism that Trade Investment International Ltd. is now dissolved but that another company, Trade Investment (UK) Ltd., with Samuel Sieve as promoter and director, is operating out of the same address as the dissolved company. Further, authorities in the Bahamas informed the Mechanism that following the resignation of Mr. Sieve from sole directorship of the East European Shipping Corporation, that company was dissolved and its bank account was closed immediately thereafter.

* * *

37. The investigations carried out with regard to the financial trail of arms purchases have disclosed the crucial role of the brokering companies in offering a "ready-made sanctions busting formula":

(a) Provision of forged documents;

(b) Contracts with arms suppliers;

(c) Handling of circuitous financial operations aimed at obstructing investigations.

38. The pattern that emerged also points to the dissolution of companies, or change in the names of firms, following the end of an illicit operation. The Monitoring Mechanism reiterates its recommendation that activities of the brokering companies be subjected to strict regulations.

Examination of data on arms surrendered by UNITA during the current demilitarization

39. During its recent visit to Angola, the Monitoring Mechanism was briefed about the disarmament exercise within the framework of the ceasefire. The issue of the arms caches remains a concern. With the cooperation of the ex-UNITA combatants, efforts are being made to locate the remaining caches. The Mechanism has also secured statistical data, shown below, regarding the weapons handed over by UNITA in the framework of the ceasefire.

Small arms

Category	*Quantity*
Pistols	157
AKM	19 277
AKC	77
AK-47	3 799
AK-74	376
Galil	27
PPCH	3
R-4	33
R-5	22
G-3	253
FN	25
Mauser/Carbine	29
SU	45
Sterling	24
FBP	2
MR	28
Mini-Uzi	16
DCHK	3
RPD	69
RPK	359
PKM	762
DP-46	5

Category	*Quantity*
RPG-7	298
Light grenade	41
RPG-22	16
HIK-21	4
M-16	5
M-22	26
M-79	84
M-200	28
IGLA	1
Missile	78
Total	**25 972**

Artillery and mortars

Category	*Quantity*
AGS-17	14
GP-25	363
P-25	1
M-60mm	275
M-81mm	32
M-82mm	144
M-120	6
SPG-9	8
C/B-10	9
C/130mm	2
C/75mm	1
C/106mm	3
C/107mm	1
GRAD-1P	2
Total	**861**

Anti-aircraft

Category	*Quantity*
ZPU-1	1
ZGU-2	2
C2M	5
Total	**8**

Ammunition, mines, projectiles and missiles

Category	*Quantity*
9mm	336
M-43	125 477
M-08	113 009
5.47 (Galil)	24 209
OG/PG-7	141
M.47 (G.3)	6 929
VOG-25	464
VOG-17	297
P-30	17 438
R-4	86
GMD	36
M-79	77
M-200	49
M-200	49
M-120	151
M-12,7mm	542
RPG-22	6
M-60	371
M-81	46
M-82	327
M-40	231
B-10	100
SPG-9	160
G/MAO	77
Missiles	7
Total	**290 615**

Engineering elements

Category	*Quantity*
Anti-personnel mines	38
Anti-tank mines	37
Claymore anti-personnel mines	4 701
Wick (metres)	6
Capsule	32
Traction mechanism	73
Pressure mechanism	1
Detonators	257
Detectors	1 606
Fuses	35
Total	**6 751**

Miscellaneous equipment

Category	*Quantity*
Magazines-AK	6
Magazines-G3	127
Magazines-Galil	700
Machine gun ribbons	5 450
Cartridges	14 431
Sabres	291
Total	**21 005**

Transmission equipment

Category	*Quantity*
E/R HF	
SYNCAL-30	23
RACAL	3
SC-140	1
PRO-34	16
TRA-930	1
TRA-921	3
TRC-80	14
Sub-total	**61**
E/R V-UHF	
TR-28	3
FUCHI	4
TERRA AR	3
Motorola	4
Subtotal	**14**
Total	**75**

Miscellaneous communications equipment

Category	*Quantity*
Data terminals	
DT-3090	3
DT-600	1
DT-309	16
Prog-HT-100	2
Grinel	1
Printer	3
Computer	30

Category	*Quantity*
Sound clarifier	32
Generator	14
Loader.man	8
Solar panel	14
Batteries	10
Storage batteries	15
Telephone-Nera	1
Telephone-Drane	1
Telephone-Drane	1
DMX	2
XMP-500	2
Antennas	59
Microphones	63
Total	**278**

UNITA troops and personal weapons, July 2002

		Light weapons			
Region/province	*UNITA troops*	*AKM*	*AK47*	*Total*	*Ratio of troops to weapons*
Northern region					
Uige	4 581	-	1 121	1 121	4.1
Zaire	572	-	302	302	1.9
Bengo	1 063	306	539	845	1.3
Kwanza Norte	1 153		784	784	1.5
Region total	**7 369**	**306**	**2 746**	**3 052**	**2.4**
	9%			**11%**	
North-east region					
Malange	5 084	1 741	-	1 741	2.9
Eastern region					
Lunda Sul	2 340	1 467	-	1 467	1.6
Lunda Norte	2 901	348	-	348	8.3
Moxico	5 649	3 270	-	3 270	1.7
Region total	**10 890**	**5 085**	-	**5 085**	**2**
	13%			**18%**	

Region/province	UNITA troops	Light weapons		Total	Ratio of troops to weapons
		AKM	AK47		
Central region					
Huambo	10 650	2 464	-	2 464	4.3
Bié	5 863	2 656	-	2 656	2.2
Region total	**16 513**	**5 120**	-	**5 120**	**3**
	19%			**18%**	
Central/Littoral region					
Bengeula	14 849	3 100	-	3 100	4.8
Kwanza Sul	11 045	4 780	-	4 780	2.3
Region total	**25 894**	**7 880**	-	**7 880**	**3**
	30%			**28%**	
Southern region					
Huila	5 233	-	1 053	1 053	5.0
Cunene	811	270	-	270	3.0
Cuando Cubango	13 251	-	3 790	3 790	3.5
Region total	**19 295**	**270**	**4 843**	**5 113**	**4**
	23%			**18%**	
Countrywide totals	**85 045**	**20 402**	**7 589**	**27 991**	**3.0**

Note:

Only 3 out of 18 provinces did not contain UNITA troops — Luanda, Namibe, Cabinda.

Preliminary observations

40. Examination of the list of surrendered weapons reveals the predominance of light arms such as assault rifles. The limited quantities of heavy weaponry consisted of artillery cannons, anti-aircraft weapons and mortars.

41. The volume of weapons turned over is quite sizeable, especially when one considers the large arsenal confiscated by government forces following the fall, in 1999, of the UNITA strongholds in Andulo and Bailundo. It is worth mentioning that, in the years 2000 and 2001, the Government forces had also confiscated a significant quantity of weapons.

42. From the data reviewed, some preliminary observations could be drawn with regard to the impact the arms embargo may have had on the capacity of UNITA to sustain the war effort. During the last two years, it is clear that the movement suffered a decisive military defeat. At the same time, the international community was strengthening its implementation of sanctions measures. What appears to have ensued is a disruption in the ability of UNITA to purchase weapons. This may also account for the wide diversity in the type and provenance of weaponry used. The

lack of uniform issuance must have presented tremendous logistical and maintenance problems. In addition, the disproportionate ratio between weapons surrendered and ammunition available indicates that UNITA was experiencing severe shortages of supplies. That the remaining amount of UNITA heavy artillery was concentrated in one province shows that the movement's inability to purchase fuel could have prevented its wider deployment. Finally, the seriously weakened condition in which many of the ex-combatants arrived at the quartering areas indicates that the former supply routes on which UNITA depended for its medical and food requirements had been cut.

43. The Mechanism reiterates its view that the full spectrum of UNITA sources of arms supplies has not been brought to light. It further considers that the characteristics of arms turned over, such as serial numbers and countries of production, which have not been made available, could serve as a base for tracing their origin.

Cross-border illicit circulation of firearms

44. The Monitoring Mechanism in its earlier reports has addressed the broader phenomenon of the illicit circulation of firearms in the southern region, its extent, as well as the policies and strategies in place to curb it.

45. In the course of the current mandate, the Mechanism sought to examine the impact of the demilitarization of UNITA troops on the circulation of small arms from Angola to its neighbouring countries — the Democratic Republic of the Congo, Namibia and Zambia.

46. During its visit to Zambia, the Monitoring Mechanism was provided with updated statistical figures regarding the seizures, in 2002, of arms in the Western and North-Western Provinces adjacent to Moxico, in Angola. The figures are 147 for the Western Province, and 114 for the North-Western Province.

47. Those weapons consist mainly of small arms and assault rifles. In addition, the Zambian authorities have collected 132 guns in the framework of the "buy-back" system, by which civilians surrender arms in their possession in return for payment of a small amount of money.

48. During its visit to Namibia, the Monitoring Mechanism was informed that the Namibian authorities had recorded no ceasefire violations. During the period of the quartering process in Angola, some UNITA elements entered into Namibia to surrender to the authorities. Those elements were transported to the closest quartering area and their weapons handed over to the Angolans.

49. The Monitoring Mechanism observes that the illicit cross-border circulation of arms, including the caches, constitutes a threat. Therefore, post-conflict programmes should include specific measures aimed at properly dealing with this phenomenon. Such measures could include the introduction of funding for the buy-back programmes and other initiatives such as joint police operations, awareness seminars and training.

50. In the meantime, the Monitoring Mechanism notes, with satisfaction, that the law enforcement agencies of the SADC countries are actively pursuing the

implementation of strategies with a view to curbing the illicit circulation of firearms through several initiatives, including joint police operations.

51. A recent Interpol meeting on the issue of arms trafficking in the southern African region has led to the adoption of far-reaching recommendations (annex IV), which the Monitoring Mechanism fully supports.

III. Representation component of the sanctions regime

52. From the outset of its work, the Mechanism realized the importance of curbing the representational activities carried out by UNITA in several countries of Europe and Africa.

53. Although UNITA offices were officially closed, they were converted into different kinds of front organizations that began to perform those functions that were specifically forbidden by Security Council resolution 1127 (1997). The UNITA "representatives" were extremely active in the media of certain countries, where they took advantage of all the available facilities to carry out their proselytism in favour of the rebel movement. By their efforts to influence political parties and members of parliament, they also managed to make their agenda a domestic topic of discussion in an important European country, from which "the External Mission of UNITA" was openly run.

54. UNITA also developed a sophisticated electronic communications network to disseminate all types of information and propaganda concerning the civil and military actions of the organization. In its reports, the Mechanism unveiled all of those activities with full details, exposing their nature, the places where the web sites were operated and the individuals behind the operations.

55. It took both time and sustained effort to convince the Governments of the countries concerned to act on this situation, which was in clear violation of the sanctions imposed by the Security Council. Thanks to their actions, the intensive use of the Internet by UNITA began to decline, until it virtually disappeared.

56. Something similar happened with the satellite communications, which were helping UNITA in the field to maintain contacts with its "representatives" abroad. Despite the fact that they were not under sanctions, thanks to the assistance provided by the authorities of the country from which the services and equipment were being supplied, the Mechanism was able to confirm the name of the company involved, the kind of equipment, the route used for delivery and the name of the senior UNITA official who was in charge of procurement.

57. Actions taken against the "representatives" abroad also affected the finances of UNITA. The investigations pursued by the authorities of certain countries, identified as important safe havens for UNITA financial dealings, contributed to making their movements difficult.

58. In the work done in this area, the list of senior UNITA officials played a very important role. For this reason, the Mechanism, from the very beginning, tried to refine the list, to allow the Committee to issue an updated version that could facilitate the full implementation of the sanctions. At the same time, the Mechanism tried to identify the key officials and their role in UNITA representation, procurement and finances, as a way to focus its work. The updated version issued by

the Committee allowed Governments to continue taking the actions required by the relevant Security Council resolution. The European Union, for example, also issued specific directives in this regard.

59. According to the information provided to the Mechanism, there are approximately 60 important individuals whose names were on the list but who, up to now, have not expressed the intention of joining the peace process. Some of those individuals were residing abroad and were instrumental "representatives"; others were high-ranking officers of the military wing of UNITA. This is a matter of concern.

60. One of the problems faced by the Mechanism concerned the implementation of the travel ban in the countries signatories of the Schengen Agreement and the members of ECOWAS. In the first case, some Governments excused their inaction, alleging that the Schengen Agreement guaranteed freedom of movement, which made it impossible to put in place controls over persons already in the area, or nationals of one of the member States. The situation in the ECOWAS countries related to the illegal issuance of travel documents to individuals who were not citizens of a particular member country but who were senior UNITA officials, allowing them to travel without restriction within the subregion. The Governments concerned were persuaded to take the necessary measures to cancel those travel documents, and this action was reported to the secretariat of ECOWAS for dissemination among all the member States.

61. The Government of a West African country, which in the past had given national passports to a number of UNITA officials, was persuaded to take similar measures. Those passports were declared invalid, and the authorities changed the format of the documents that were issued subsequent to their decision.

62. This situation shows clearly that the implementation of this sanction fully rested on the commitment and cooperation of the countries and their sincere engagement in this endeavour. For UNITA, the real importance of its external representation was as an essential tool to sustain the war, a means to political lobbying, the procurement of arms, diamond sales and financing the organization.

IV. Diamond component of the sanctions regime

63. Security Council resolution 1173 (1998) and subsequent resolutions require Member States to prohibit the direct or indirect import from Angola to their territories of all diamonds not controlled through the certificate-of-origin regime established by the Government of Angola. States are also required to prohibit the sale or supply to persons or entities in areas of Angola to which State administration has not been extended, by their nationals or from their territory, or using their flag vessels or aircraft, of equipment used in mining or mining services.

64. In resolution 1295 (2000) the Security Council encouraged States hosting diamond markets to impose significant penalties for the possession of rough diamonds imported in contravention of the measures contained in resolution 1173 (1998), and welcomed the proposal to devise a system of controls to facilitate the implementation of resolution 1173 (1998).

65. The objective of the sanction on diamond trading has been to deny to UNITA the means to mine diamonds, and income from the sale of diamonds to fund the

continued civil war in Angola. Resolution 1173 (1998) was implemented in July 1998, six months after UNITA had withdrawn from its most lucrative and highest-profile mining operation in Luzamba, northern Angola, which had been under UNITA occupation since October 1992. That operation provided much of the financing for the UNITA arms build-up for the war of 1998-2002, as well as the post-election war of 1992-1994.

The starting points

66. The starting point for the Monitoring Mechanism's work was resolution 1295 (2000), in which the Security Council encouraged States hosting diamond markets to impose significant penalties for the possession of rough diamonds imported in contravention of resolution 1173 (1998). The starting point for that measure was the report of the Panel of Experts, of March 2000 (see S/2002/203), concerning violations of the Security Council resolutions against UNITA. The Panel concluded that the ability of UNITA to sell its diamonds was based on three key factors, namely, the ability to mine or collect diamonds; the ease with which diamonds could be traded on major markets; and the protected access of UNITA to external locations where diamond deals could be transacted.

67. The Panel of Experts identified key players in UNITA diamond sales and arms transactions. The Panel also concluded that lax controls within Angola facilitated diamond smuggling in that country, including the passage of diamonds from UNITA-controlled areas into official channels, and urged that close attention be paid to the implementation of control measures.

68. The tasks of the Mechanism, in investigating and monitoring violations of resolution 1173 (1998), were initially based on the findings of the Panel of Experts and on further research and fieldwork undertaken by the Mechanism during its mandates. From July 2000, however, UNITA lost control of areas of territory it had previously controlled, and the Mechanism found itself investigating a diminishing resource.

69. The sanction on diamond trading achieved a very high public profile, owing to the lobbying activities, first of Global Witness, from December 1998, and later of other non-governmental organizations. Extensive media coverage of "blood" or "conflict" diamonds kept the issue alive in the public domain and ensured that this form of United Nations sanction became one of the most widely known and debated measures taken against rebel organizations. The issue has stirred wide-ranging debate and activities across many sectors, from Governments to industry and civil society.

Investigating and monitoring the sanctions

70. This section summarizes the progress of investigations made by the Mechanism and the main tasks carried out in monitoring the progress of implementation of sanctions. The investigations covered five clearly defined areas:

A. Investigating UNITA diamond mining and trading activities

(i) Identifying the size and location of UNITA mining activities, in order to determine the potential scope of the trading and the most likely routes out of Angola.

(ii) Detailed investigation of the methods and structures of UNITA diamond sales operations and the personnel involved.

(iii) Investigation of parcels of diamonds said to be traded by UNITA.

B. Monitoring the Angolan certificate-of-origin scheme

(i) Detailed and continuous monitoring of the process inside Angola, to ensure that embargoed diamonds did not enter the official system.

(ii) Gathering data on evasion of the certification scheme — illegal mining operations, illegal diamond trading and smuggling.

(iii) Identifying the foreign companies that buy the illicit diamonds and the extent to which smuggled diamonds from Angola and conflict diamonds from UNITA move through the same channels; it should be noted that all diamond smuggling from Angola is embargoed because of the difficulty in identifying the Angolan source of the diamonds.

(iv) Examination of the controls needed for effective implementation.

C. Monitoring and investigating relevant diamond markets and third-party countries

(i) Examination of the controls implemented by diamond markets, banks and bourses to improve the effectiveness of the sanctions.

(ii) Examination of statistical and export data to establish which countries could be considered to be smuggling routes for embargoed diamonds and a starting point in the investigation of UNITA diamond trading.

(iii) Examination of anomalies that point to the movement of Angolan diamonds where the source of the diamonds is unclear.

D. Investigating the activities of diamond companies

The ultimate responsibility for importing embargoed diamonds into markets lies with diamond companies, which, on the available evidence:

(i) Agree to buy the embargoed stones.

(ii) Declare the origins and provenance of their imports to the authorities, and provide false or forged documentation to support those statements.

(iii) Construct the smuggling routes and employ the middlemen and couriers who buy and move the diamonds, and make the payments to middlemen that allow violations of the embargo to continue.

E. State actors

The activities of States in implementing the sanctions are:

(i) Enacting the sanctions into national law.

(ii) Effective policing of the law, ensuring that diamonds are not imported into markets without a certificate of origin and combating indirect imports through the national territory.

(iii) Cooperation in investigations of sanctions violations and provision of information to the Mechanism.

(iv) Implementation of the Kimberley Process as the most effective means to combat the trade in embargoed diamonds, in particular the indirect import of those diamonds.

71. The Mechanism undertook a programme of fieldwork in pursuit of the illicit trade in diamonds by UNITA. Decisions on which countries to visit were based on the relative importance of that country to the UNITA supply lines and on the possession of sufficiently detailed data to allow follow-up of leads. The Mechanism visited — in most cases many times — the following countries to gather information and to determine compliance with Security Council resolution 1173 (1998): Angola, Belgium, Botswana, the Democratic Republic of the Congo, Gabon, Namibia, Rwanda, Portugal, South Africa, Switzerland, Uganda, United Kingdom, United Republic of Tanzania and Zambia.

72. The Mechanism also undertook fact-finding on the implementation of the sanctions and information-gathering through correspondence, in cases where the leads were insufficiently detailed to warrant a visit and the information requested could be supplied by letter.

73. The Mechanism received notable cooperation from the Government of Belgium and its officers during the course of its investigations. Belgium is in the extremely difficult position of being the principal open-market diamond trading centre in the European Union and the largest direct importer of diamonds from Africa outside the De Beers system. Inevitably, this has meant that embargoed diamonds have reached Antwerp in larger quantities than is the case in other centres. However, Belgium has gone further than any other diamond centre in attempting to curb the longstanding abuses of import procedures by diamond companies and has been instrumental in ensuring that the certificate-of-origin schemes are effective.

74. In Africa, Angola and several smaller diamond producing and trading countries have been willing to provide detailed information. The Mechanism would like to thank those entities and individuals who have been willing to share their knowledge and insight into the embargoed trade from Angola, and who have been willing to provide information.

Methodology for investigating the UNITA diamond trade

75. The Mechanism was requested to collect information, and investigate leads, for the period from late 1999 to 2002, the period following the loss by UNITA of its major bases of Andulo and Bailundo and the loss of substantial mining areas in Kwanza Sul and Bié to the Angolan Armed Forces. The Mechanism has in effect been tracking a covert operation that has declined as UNITA has lost mining areas and control of diamond trading routes because of the military pressure of the Angolan Armed Forces.

76. Effectively a trade that was already covert has been driven even deeper into the undergrowth during this period, as the movement's economic lifeline was reduced and the need to protect what was left became more urgent. The death of Jonas Savimbi, founder of UNITA and its leader since 1966, marked the beginning of the end of UNITA diamond trading structures for centralized military purposes, although UNITA diamond trading has continued. It is certain that diamond-mining operations were still in place until the death of Savimbi, but the withdrawal of troops to quartering areas has reduced the possibility of such operations. The latest substantial UNITA-related trade reported to the Mechanism, of $10 million worth of stones, was conducted in July 2002, but the name of the seller and the reason for the trade are not known.

77. The Mechanism analysed the available methodologies for tracking the trade in embargoed diamonds and identifying the major players involved to a level of proof that would allow for prosecution of the final importers by national courts. Hard evidence at this level means demonstrating both possession and origin of the diamonds and identifying any paper trails. The method adopted was threefold:

1. Tracking the links from Angola to diamond dealers

78. The first task was to follow the trail of the individuals concerned from Angola to the diamond markets. The Mechanism reported the methods and the likely outcomes in detail. This has proved to be the most effective method of creating a chain of evidence and information and has allowed the Mechanism to launch investigations into 10 diamond companies allegedly involved in violating the embargo, out of 20 suspected of being involved in the trade in embargoed stones. Two of these companies are under police investigation in Belgium, and police investigation was requested in three cases in South Africa.

79. Only one case has been publicly reported by the Mechanism to date — that of Limo Diamonds, where the Mechanism was able to demonstrate that diamonds were falsely declared to be of Zambian origin. The Israeli authorities have reported that Spark Diamonds, the company owned by one of the directors of Limo in Tel Aviv, was non-operational from 1999, and has recently closed down.

80. Two further cases remain in limbo, because information requested previously was not provided for almost a year. It should be noted that failure to provide information requested by the Mechanism is the single most important reason for the absence of adequate proof in those cases where the Mechanism has been able to obtain detailed information. In some cases, however, the evidence needed is protected by commercial confidentiality and is accessible only to police and prosecutors. Commercial confidentiality laws exist to ensure that data on diamond companies' activities remains private and not available to competitors, but that also means that the paper trail is closed to investigation by the Mechanism.

81. The methodology traced the movements of illicit diamond traders who could be identified as operating from Angola, the middlemen they used as couriers, and the buyers' connections to diamond markets and to embargoed trading activities. Proof of connection is available in, for example, records of consistent patterns of telephone calls between the middleman and the diamond company. Other paper trails may take the form of bank transfers to pay for the diamonds, although this information is not accessible to the Mechanism.

82. UNITA diamonds have been paid for both in cash and in supplies. Payment through this second method was of more importance to UNITA while military operations continued in Moxico Province. It has not proved possible to identify companies involved in UNITA diamonds-for-arms trades.

2. Tracing individual parcels of UNITA diamonds

83. The second method adopted was to trace individual parcels of diamonds said to be traded by UNITA, where sufficient information was available to identify a parcel. In all such cases but one, where detailed information was provided on a parcel of diamonds reportedly traded by UNITA, the Mechanism was able to confirm the date given, the existence of a parcel of that size, and the route from a second country to the final market, and to verify or identify the company which purchased the diamonds.

84. Several separate parcels of 30,000 carats each were identified, during 2001 and 2002, the most valuable single parcel (of three clearly identified) being worth $10 million. A further two parcels of this size have been reported but there is insufficient detail to trace them. This has led the Mechanism to the conclusion that the central UNITA command tended to build up parcels of 30,000 carats — which is a large parcel by diamond trading standards — before trading them on. This may also indicate that UNITA production reached this amount at times, but the absence of direct confirmation by officials of the movement's Ministry of Natural Resources still leaves the real levels of UNITA production in the realm of speculation. The Mechanism also had reports of smaller parcels traded by UNITA, one worth $250,000 in February 2001, for example.

85. In none of these cases was the Mechanism able to find confirming evidence that the diamonds originated with UNITA or in Angola. This does not disprove the information; it is not possible to reconstruct the trail without a chain of custody from the country of origin to the end buyer. It should be regarded as axiomatic, after more than two years of investigation, that paper trails by themselves are of little value in establishing the existence of this trade.

86. Technical information on the breakdown of the parcel, such as sizes, colours, shapes and quality, which could help to determine the origin when large parcels of diamonds are being examined, is not demanded by importers. Only the correct carat weight and value are required by importing bodies. Nor is the composition of the parcel noted in such a degree of detail by many exporting authorities, even though the make-up of the parcel is critical to its valuation for tax purposes.

87. The profile of parcels, compared with their supposed origin, would enable investigators to assess the likely origin of a parcel with more accuracy. It would also enable producer countries to identify diamonds mined in the informal sector with a greater degree of accuracy.

88. Exposing the trade in embargoed diamonds presents unusual problems, particularly in the case of UNITA, which had long experience in smuggling far greater quantities of diamonds into world markets prior to the embargo, and had built up the contacts and resources that enabled it to send diamonds to markets undetected. The material being smuggled — rough diamond — is mined illicitly and moved illicitly. The diamonds often acquire false documents, as we can show, to allow them to enter markets undetected. Direct evidence of a covert trade in rough

diamonds and of smuggling is readily concealed within the structure and operations of the diamond trading industry.

89. The lack of transparency in any centre except Belgium and the legal requirements of commercial confidentiality in diamond centres have made the task of gathering evidence, and substantiating the often detailed information available, close to impossible. The failure by States to provide information requested by the Mechanism has resulted in the lack of completion of outstanding investigations into diamond companies alleged to be violating United Nations sanctions. The lack of access to the information contained in diamond trading systems, the use of which is the easiest, and in many cases only available, method of proving or disproving allegations and information, has meant that the Mechanism cannot complete enquiries to the required level of proof. These systems exist to prevent diamond companies from gaining information that would give them an advantage over their competitors, and they are accessible only for the purpose of police investigations.

3. Identifying diamond smuggling through analysis of diamond statistics

90. In its report of October 2000 (S/2000/1225), the Mechanism examined the question what evidence one could expect to obtain through a more generic, statistical approach to identifying the trade in embargoed diamonds and concluded, after analysing import data from several major diamond trading countries, that it is not possible to track the global trade in embargoed diamonds through this means at present, although it is possible to identify certain of the trading routes, in cases where diamonds move directly from an exporting country to a market. Major changes in imports declared to be from non-producing countries are also important indicators of diamond-laundering. The options open to diamond dealers wishing to disguise the purchases of embargoed stones are multiple, however, and can be changed with ease if any one country comes under too much scrutiny.

91. Equally important is the dramatic decline in the quantities of diamonds mined by UNITA, which creates less distortion of import statistics. It should be remembered that UNITA was, for a period, the world's largest diamond smuggling organization, mining a quantity of diamonds equivalent to that of some countries, and the impact of its activities is reflected in trading statistics.

92. Globally, approximately 24 countries mine diamonds, but more than 100 countries export diamonds. Seventeen African countries mine diamonds; nine more non-producing African countries are recorded as the origin of diamonds, on import into markets. Illicit traders in rough diamonds have a wide choice of routes to follow and embargoed diamonds are deeply embedded in longstanding smuggling channels. The need for comparable and unified statistics that would facilitate the monitoring of this trade is one of the issues being addressed in depth through the Kimberley Process, since genuinely comparable data does provide a means of monitoring changes in the global trade in rough diamonds.

93. Data received from diamond producing countries and diamond trading countries has too many variables to make it possible to analyse changes in the size and value of diamond trading. The data that would point to the presence of embargoed diamonds is rarely comparable between countries. United Nations data on globally reported diamond imports from African non-producers shows significant falls from 1998, however, which may be attributable both to the effects of the embargo and to a significant reduction in the quantity of diamonds being mined by

UNITA after it withdrew from the Luzamba region of the Cuango Valley at the end of 1997.

94. It should be noted that in 1997, $503 million worth of diamonds traded through non-producers (see table) were said to originate in the Republic of the Congo alone, then a major UNITA smuggling route. Although the figures below must be treated with caution in regard to their total accuracy, a pattern of major decline in the movements of diamonds through this type of route is clear.

Worldwide value of diamonds traded through non-producing countries:

1997	$651,171,000
1998	$192,965,000
1999	$147,907,000
2000	$64,197,000

95. While UNITA trade through non-producing countries has been significant, these are not the only routes in use. Other routes in southern Africa and possible West African routes are not identifiable through this method, because of high levels of local diamond production. The Mechanism found, however, that examination of differences between exports of diamonds from several African countries and imports into Belgium — an important market for diamonds from three of the four countries examined — is an effective means to identify changes in diamond smuggling routes. The number of carats exported is, however, a much safer guide to production than the value of diamonds, which can be falsely declared by dealers. This was clear in the case of the United Republic of Tanzania, where the value of diamonds is not checked on export and is declared as being five times lower that it is, but is correctly declared on import into Antwerp.

96. The potential value of the embargoed trade can in principle be mapped by comparing available data on local diamond production, and its value, with any available export data and with data on import into markets. A sustained rise in values declared, on import into markets, of the average number of carats of rough diamonds from any country, without a demonstrable rise in mining, raises the question whether the country is being used as a smuggling or laundering route.

97. The Mechanism therefore decided to concentrate on those countries bordering Angola, or where it had detailed information about embargoed diamonds being either smuggled out or processed through the system. This method produced the shortest route between UNITA and diamond centres, and the easiest to prove.

98. In its report of April 2002, the Mechanism examined diamond import data (into Antwerp) from three countries: the Democratic Republic of the Congo, the Republic of the Congo and the United Republic of Tanzania. The results showed a major shift in diamond smuggling patterns. Diamonds previously smuggled out of the Democratic Republic of the Congo were now going through the Republic of the Congo; these were mixtures of Angolan and Democratic Republic of the Congo stones during 2000 and 2001.

99. Three types of movement of embargoed diamonds emerged from this examination:

(a) Embargoed diamonds laundered through official systems;

(b) Embargoed diamonds smuggled from a neighbouring country direct to world markets, with faked or suspect documentation;

(c) Declarations of origin being made for diamonds which might never have entered the country claimed as their origin.

100. Analysis of this type of information allowed the Mechanism to target the key routes in the diamond-laundering process. Suspected West African smuggling routes were not examined in detail by the Mechanism because of the extreme difficulty of differentiating between Angolan and other diamonds, in view of the similar values. In addition, all the information available to the Mechanism pointed to routes through neighbouring countries, and the presence there of dealers with links to UNITA, as accounting for most of the trade in embargoed stones. A third factor was the rise of routes that were not so well scrutinized.

UNITA diamond mining and trading systems

101. UNITA has been trading diamonds since the 1970s. In 1986, as diamond mining increased, UNITA set up the body that managed its trade in diamonds, the Ministry of Natural Resources (MIRNA), which was always controlled directly by the leader of UNITA, the late Jonas Savimbi. With his death the formal structures for mining and trading diamonds have apparently collapsed, although the Mechanism is investigating whether a parcel of 30,000 carats of diamonds was offered for sale in the United Republic of Tanzania by unidentified UNITA members in July 2002.

102. In the final phase of the war, UNITA diamond trading systems were completely reorganized. At the end of 1998, following the first attack by the Angolan Armed Forces on the UNITA headquarters at Andulo and Bailundo, and six months after the embargo under resolution 1173 (1998) was imposed, the foreign diamond buying companies based in Andulo withdrew outside the country and diamond tenders in Andulo ceased. This was the moment when the sanctions on diamond trading began to have an effect, although the Mechanism found that three of the companies known to have had diamond buyers in UNITA territory continued to buy UNITA diamonds until at least 2001. Those companies have been placed under investigation.

103. In 1999 UNITA reactivated its previous covert sales routes outside Angola. According to the previous head of MIRNA, the principal route for diamonds was through a company based in Zambia, which provided supplies in exchange for diamonds to the main UNITA forces in the eastern part of the country. The Mechanism has not had confirmation of the identity of the company. No importing centres have reported imports from Zambia, except in Antwerp early in 2001, where the Mechanism found that $13.5 million worth of stones had apparently been falsely declared as originating in Zambia.

104. The Mechanism attempted to establish whether MIRNA structures were still operational. The Mechanism has not been informed whether any internal structures of MIRNA remain, but considers that UNITA is no longer mining diamonds on a scale that would require MIRNA activities. The Mechanism found, however, that key external players in the procurement networks of both MIRNA and UNITA remain in Burkina Faso.

105. The diamond trading systems of UNITA have been examined in previous reports by the Mechanism. Four systems for trading diamonds have been fully identified:

(a) Diamonds used as currency and traded for supplies, whether weapons or food and medicines. This was the principal method of trading for UNITA centralized diamond transactions under Savimbi during much of 2001;

(b) Selling by tender to diamond dealers, using third countries. This method gave UNITA the best prices for its diamonds, since dealers offered sealed bids for the parcels. UNITA sold diamonds by this method in Andulo until late 1998, to invited dealers. Diamond tenders after that date took place outside Angola. The Mechanism visited Gabon to try to trace three diamond tenders made during 2000. No reports of tenders were heard after October 2000;

(c) Selling directly to diamond dealers: the Mechanism has been examining information on 16 diamond companies, in three diamond centres, and has sent a total of eight cases to three separate countries for investigation;

(d) Smaller opportunistic sales, which raised money for local purchases of food and medicines. These might be centrally organized, or the local activities of UNITA members. One case of this trade was identified in the Democratic Republic of the Congo.

Using forged or falsified documents to trade

106. The Mechanism found both the criminal network described below and widespread use of forged or falsified documents during the course of its enquiries into embargoed diamonds (see case study).

Case study: criminal network trading fake diamonds in Zambia

The Mechanism has noted that there is a criminal network in Zambia, which is being operated by Congolese nationals. These criminals are taking advantage of some allegations levelled against Zambia in connection with the trade in embargoed diamonds from Angola. The Mechanism referred two cases to the Zambian authorities concerning allegations that diamonds were exported from Zambia in April 2002.

The investigations into one of the cases by the Zambian authorities have revealed not only that the allegations were baseless, but that the operation was fraudulent. The export involved fake diamonds and the use of forged official documents, stamps and signatures, by means of which the criminals were able to claim that they had diamonds for sale and to swindle unsuspecting foreign buyers out of thousands of dollars.

The syndicate that carried out this operation was uncovered in September 2002. It involved the export in April 2002 to Switzerland of crystals of clear stones, using forged official export documents that described the shipment as being rough diamonds. The Swiss authorities confirmed to the Mechanism, after they had conducted an independent laboratory examination of the material, that it was a parcel of mere crystals.

In this operation, the criminals created a loop. There were clear instructions that in Switzerland the shipment should be released to the holder of a passport with a specified number. As investigations have revealed, the indicated passport was that of the initial sender (exporter) of the shipment and not the mentioned consignee. The shipment was consequently returned to the sender in Zambia.

The sender deliberately did not clear the shipment but chose to have it held in customs bond. However the documents relating to the inward freight, including airway bills and invoices for freight, were later used by the sender (at this stage the recipient) to convince unsuspecting foreign buyers that he had a shipment of diamonds from Zurich in customs bond awaiting re-export. He claimed that the shipment was sealed and could only be opened on re-export, in this case, in South Africa. He then demanded money from the buyers for meeting "processing fees". The fees represented some form of his "advance fee" on the buyers. When the buyer was unable to provide additional money to meet processing fees, the criminals vanished, prompting the victim to report the fraud to the police. The criminal involved in this operation has since been arrested by the police and charged with forgery and obtaining money by false pretences.

The authorities have stated that this was a spectacular and rare form of fraud in Zambia. They also believe that several foreign buyers may have fallen victim to the scam but did not come forward for fear of prosecution for involvement in illicit conduct.

As for the second case the Government of Zambia advised the Mechanism that it had no indication of the presence in Zambia of the alleged exporter. The Mechanism has been able to establish that forged official documents, stamps and signatures were also used in the export. The Mechanism has not been able to identify the buyer or country of import, or mode of transport used. The Mechanism has however been able to establish a connection between the two cases that were referred to the authorities. The connection is evidenced by the apparent use of one forged stamp in the two exports.

107. The reports available to the Mechanism suggest that UNITA and diamond traders working with UNITA or buying embargoed diamonds make substantial use of false documents. The Mechanism had examined in detail the possibility of tracing documents through diamond recording systems in its report of April 2000. The requirements of commercial confidentiality meant, however, that access to such documentation by the Mechanism was not available in the diamond centres and that as a consequence any cases depending on evidence from the centres would have to be passed to the police authorities in the countries concerned for investigation. What is being investigated is the extent to which it is possible to prove that a declaration of origin is false and to determine the actual origin of the diamonds and the companies' link to UNITA.

108. UNITA diamonds are smuggled through a system in which the sales are primarily for cash, the diamonds are traded for arms or supplies. As far as the Mechanism can determine, this was not always the case. The Mechanism has received information that it was standard UNITA practice to produce detailed but forged documents for diamond exports, which showed the diamonds as exported from the Centre national d' expertise in Kinshasa, for example:

(a) In a case where a dealer declared over $20 million in diamonds as exported from Kisangani with the consent of the Rassemblement congolais pour la démocratie (RCD), the dealer produced the invoices in Antwerp on a letterhead that was no longer in use by RCD, and the Mechanism has been able to establish that only $6,000 worth of diamonds were recorded as being purchased by the supplying company, Victoria Diamonds, in the years in question;

(b) In the case of Limo Diamonds, which bought diamonds purporting to originate in the Central African Republic, Zambia and Côte d'Ivoire, the middleman, C. van Tures, was found not to have been legally present in any of those countries or to have exported diamonds from them. The paper trail was a series of elaborate fakes emanating from a middleman whose existence could not be proved.

109. The Mechanism concludes that one effect of the sanction on diamond trading is the production of more sophisticated forged or falsified documents to conceal the origin of the diamonds. The minimal reporting requirements, on import, for the origin of any diamonds not exported under a certificate-of-origin scheme ensure that documents are not checked at diamond centres. In Israel, export documentation is requested for imports from the Democratic Republic of the Congo.

110. More controls on diamonds on import, including export documents, receipts for the purchase of the diamonds, and airways bills, and passports when the diamonds are couriered into a centre by an individual, would undoubtedly have reduced the scope of the trade in embargoed stones.

Assessment of the remaining capacity of UNITA to violate the diamond embargo

111. UNITA continued to mine diamonds until the effective end of the war in 2002. There appears to be a correlation between UNITA mining activities and low levels of personal weapons held by UNITA troops in at least two provinces, suggesting that troops carried out mining-related activities.

- In Uíge Province, where UNITA was mining until February 2002, only 24 per cent of the UNITA force of 4,500 men had weapons. UNITA mined in Tembo-Aluma on the Cuango River border with the Democratic Republic of the Congo, and areas around the upper Cuango River.
- In Lunda Norte, only one in eight of the troops reported there, a mere 2,900 men, had light weapons. This low number is surprising, given the disposition of the mines and the number of attacks carried out in Lunda Norte, and around the Cuango region in particular, until the end of the war. Mining activities were quite widespread, however. Three principal areas were mined in the Lundas — the Lovua region, along the Kassai River, and Cambulo and Canzar. UNITA forces were found in the Za-Muteba area at the base of the Cuango River — considered to be a long-term mining site for UNITA.

- Lunda Sul was both a military arena and a diamond extraction region for UNITA. The Sombo region contained the main UNITA mines. Although UNITA soldiers have been reported as leaving the quartering areas to mine diamonds in Lunda Sul, this appears to be simply economic activity carried out by individuals.

112. UNITA was pushed out of much of its extensive northern mining operations in Uíge and Malange during 2000, though it continued to mine the important Quela region of Malange in 2001. Two major mining areas occupied by UNITA, Mavinga, in Cuando Cubango Province, and Quela were declared free of force majeure in September 2001.

113. UNITA had lost much of its access to mines in the Kwanza region late in 1999, but high concentrations of UNITA troops in the region and in Bié Province indicate that some UNITA mining until the end of the war cannot be ruled out. With the quartering of UNITA troops, the movement's capacity to control mines cannot be said to exist.

114. UNITA itself is said to have bought little mining equipment beyond basic tools for digging pits, although it had access to equipment removed from the Cuango Valley. Fuel and maintenance for trucks and equipment were not available, however, and the organization's own mining operations have always relied almost solely on human labour.

115. UNITA moved into a phase of "guerrilla mining" using a Congolese workforce. Groups of 50 miners would also travel with all the UNITA military groups, mining diamonds wherever they could be found, on a hit-and-run basis. This was a survival strategy, in contrast to the previous strategy of targeting high-value mining areas.

116. The Mechanism has evaluated the available information concerning the levels of UNITA diamond sales. The pattern is one of substantial reductions in mining and sales as UNITA lost access to mines. UNITA was able to sell more substantial quantities of diamonds from 1999 to mid-2001.

117. The Mechanism's assessment of the present state of UNITA diamond trading is that any remaining stockpile is likely to be sold for cash, outside Angola. The desperate situation of UNITA in the last days of the war suggests that diamonds were sold as quickly as they were mined.

Report on investigations into sanctions violations

118. The Mechanism has carried out investigations into companies and into the structural aspects of the diamond trade in several countries. Summaries of this activity follow, with a note of the cases into which the Mechanism has requested an investigation.

Zambia

119. The Mechanism visited Zambia during the course of its mandate to explore issues arising from violations of the diamond sanction and to request information. From discussions with the relevant authorities including customs and the Ministry of Mines, it is clear that any major UNITA trades in diamonds are not exported through

legal systems in Zambia. One case of a small-scale diamond trader operating with UNITA was referred to the authorities for investigation.

120. The Mechanism made two visits to Zambia during the course of this mandate, to examine allegations in detail. The Mechanism received the full cooperation of the authorities in pursuing the allegations.

121. The Mechanism has noted the positive measures being taken by the Government of Zambia. The measures include the proposed establishment of a gemstone exchange. The initial cost of setting up the gemstone exchange has already been provided for in the 2002 budget. It is anticipated that the operating rules of the exchange will address most of the present shortcomings. As part of the reforms of this mining sector, the Government is currently reviewing the operations of individual gemstone traders. As a result it has revoked the licences of two gemstone dealers who were operating in contravention of applicable mining laws.

Links between Rwanda and Uganda and the Democratic Republic of the Congo

122. The Mechanism investigated the allegations contained in the report of the Panel of Experts concerning Rwanda and Uganda. The Mechanism found that clear links exist from UNITA to the diamond traders in Kisangani, licensed by RCD but previously controlled jointly by Rwanda and Uganda. The Mechanism noted the existence of two UNITA-related diamond traders: one present in Kisangani from 1998; the second, a diamond buying company that began buying diamonds from a licensed *comptoir* there in July 1999.

123. The value of that company's trade from Kisangani was $11.9 million in 2000, yet RCD-Goma provided figures on diamond exports to Partnership Africa Canada[2] which valued Victoria Diamond exports from Kisangani at $6,000 during 2000. The case is under investigation by the Belgian police, who may be able to establish whether this is a case of diamond smuggling by Victoria Diamonds or the smuggling of UNITA diamonds, using quasi-official documentation.

South Africa

124. Since July 2000, the Mechanism has enjoyed the cooperation of the Government of South Africa and has requested the investigation of a series of reports of violations of Security Council resolution 1173 (1998). It should be noted that South Africa is the most important diamond market in the region, with a major diamond cutting centre and several diamond trading centres. The Mechanism has referred three cases of alleged sanctions violations to South Africa. The South African authorities have investigated three of the cases and have indicated that there is insufficient evidence to prove these leads. In the same spirit of cooperation, the Government of South Africa has provided the Mechanism with a document that contains observations on the implementation of the sanctions regime against UNITA (annex III). This document also reflects the kind of difficulties encountered by Member States in implementing Security Council sanctions.

[2] "Hard currency", Partnership Africa Canada, Occasional Paper No. 4 (June 2002).

United Republic of Tanzania

125. The Government of the United Republic of Tanzania has been asked to investigate the activities of three diamond *comptoirs* which began exporting diamonds to Antwerp from that country in 1999.

126. The Mechanism also sent information on specific parcels of diamonds. One, valued at $250,000, was reportedly traded by UNITA in February 2001. The most recent report concerned a parcel of 30,000 carats of rough diamonds being sold in the United Republic of Tanzania in July 2002 from a UNITA-related source. The Mechanism is awaiting a reply from the Tanzanian authorities.

The Democratic Republic of the Congo and the Republic of the Congo

127. The Mechanism visited the Democratic Republic of the Congo twice and analysed the available information on a trade that is very complex, because of the high level of diamond smuggling and the long-standing practice of diamond buyers to declare the Democratic Republic of the Congo as the country of provenance for illicit Angolan diamonds.

128. The Mechanism found that the importance of the Democratic Republic of the Congo, even as a smuggling route for Angolan diamonds, had progressively diminished since 1999, although it is clear that embargoed diamonds find their way into the diamond buying offices. One buyer in the Democratic Republic of the Congo informed the Mechanism that he estimated that 20 per cent of the diamonds seen in Tshikapa and Kinshasa in 2001 were Angolan.

129. The Mechanism has been able to verify that UNITA forces in the north of Angola obtained light weapons, ammunition, food and medicine through a cross-border trade with the Congolese Armed Forces based in Tembo and Kasogo-Lunda in the Democratic Republic of the Congo. The Mechanism was informed that the Government had taken action.

130. The implementation of a certificate-of-origin system in the Democratic Republic of the Congo, in cooperation with the Diamond High Council in Antwerp, is likely to significantly alter the declaration of origin made by companies that buy smuggled stones. However, it is likely that there will be compensatory rises in smuggling from nearby countries.

131. This phenomenon has already been seen in the neighbouring Republic of the Congo over the last two years. Major rises in both official exports and diamond smuggling have been recorded. The Government of Congo-Brazzaville was approached for information on the illicit trade, and has acknowledged that there is a major problem of smuggling. The Government is of the opinion that Angolan diamonds do not enter the country directly from Angola, because of border controls between the two countries.

132. The Mechanism considers that, in 1999, 71,800 carats of diamonds either smuggled from or falsely declared as originating in Congo-Brazzaville were likely to be Angolan in origin, owing to the carat value of $209. In 2000 and 2001, the average carat value was $41, reflecting the smuggling of large quantities of diamonds — 2.8 million carats in 2000 — principally from the Democratic Republic of the Congo.

Information-gathering from other States

133. The Mechanism implemented a process of information-gathering from both African diamond-producing countries and major trading centres and requested the following types of information from States:

- Whether Security Council resolution 1173 (1998) had been enacted into national law
- Copies of regulations governing the sale of diamonds, the names and contact details of bodies responsible for overseeing diamond sales, and sample copies of the documents needed to trade in and export diamonds
- Information on any procedures implemented to control diamond smuggling and conflict diamonds
- An official list of licensed diamond dealers, where relevant
- Diamond production and export figures for the period 1998 to 2001
- Import regulations and customs data on diamond imports.

134. The failure of many Governments to supply requested information has led to case studies not being completed. Diamond imports and exports cannot be matched up to determine whether diamonds are being smuggled, and suspected smuggling circuits remain unidentified. A total of 23 countries were approached for information on the embargoed trade. Substantive replies are still awaited.

The certificate-of-origin system in Angola

135. One significant element of the Mechanism's work was to examine the working of the certificate-of-origin process in Angola, to ensure that UNITA was not able to sell diamonds inside the country, in view of the original allegations in the report of the Panel of Experts.

136. The Government of Angola introduced a new serial-numbered, unalterable Certificate of Origin, in compliance with the requests for a controllable system of certification, in January 2001. In February it instituted a single-channel marketing system, the Angola Selling Corporation, which has maintained monopoly trading rights in Angola.

137. The new certificate-of-origin scheme has had no reported problems. Imports into Antwerp and Tel Aviv are monitored by the authorities. The Mechanism is satisfied that Angola now has a verifiable diamond export system.

138. The Mechanism visited buying offices and examined the systems for registering the purchases of diamonds. While existing controls fall far short of those envisaged for diamond purchases, the Mechanism concluded, after examination of the documents, and after discussing this issue with authorities, that no large parcels of UNITA diamonds enter this system, and that the buyers can now account for the sources of their diamonds.

139. It should be said that it is still estimated in Angola that smuggling is worth about $300 million a year, despite the existence of the certificate-of-origin system. A consequence of UNITA diamond mining is that new areas have been opened up for *garimpeiro* (prospector) activity, in regions not previously controlled by the

Government, and the miners who worked previously for UNITA may now be working for themselves.

140. In Bié Province, it was reported that the mines in the Kwanza regions now have 50,000 unregistered diggers. The Chairman of the Council of Administration of Endiama noted that the Angolan Armed Forces had brought in dredges, operating under the social privileges extended to them, but that the State was losing thousands of dollars in taxes. Illicit digging in the Lundas has also yet to be brought under control, and has remained at high levels.

141. Although 500 middlemen who buy the diamonds from the *garimpeiros* have been registered and given credentials, no miners have yet been registered. Control systems designed to reduce both smuggling and illicit mining have yet to be implemented. The Mechanism has reported extensively on the planned system and considers that its implementation, which will restrict the places where both miners and middleman can operate, remains crucial to peace and stability in the diamond regions.

As a result of its investigations, the Mechanism submitted detailed evidence concerning two cases in October 2001 and April 2002 to the Government of Belgium, and requested the authorities there to take appropriate action. One of the cases was that of a diamond dealer who had been working with UNITA since the mid 1990. The Belgian authorities have informed the Mechanism that an investigation was immediately opened, and that considerable progress has been made.

V. Finance component of the sanctions regime

142. When the Monitoring Mechanism was established, the financial sanctions imposed by the Security Council were not working. Only a few Member States had taken measures to close bank accounts and, in general, the most relevant UNITA officials outside Angola were operating freely. The lack of an updated list was critical for the full implementation of this important component of the sanctions regime.

143. To address this situation, the Mechanism proceeded to refine the list of senior UNITA officials so that the Committee could issue a new version. At the same time, the Committee agreed to hire the services of an asset tracing company to facilitate the preliminary investigations that were under way. The new list, together with the leads and information provided by the company, allowed the Mechanism to put pressure on some key countries and to request an investigation that could only be conducted by the national authorities.

144. If no dramatic breakthrough was achieved, at least an important number of bank accounts were frozen, and the assets of some key figures in the UNITA structure were investigated in several countries; consequently, their financial transactions became more difficult. An example of this was the mounting balance of unpaid bills with the company that was providing the satellite communications to UNITA on the ground.

145. While the Mechanism could not uncover the full spectrum of UNITA finances and how they were really handled, at least the few pieces gathered give an approximate idea.

146. The Mechanism cannot emphasize enough, in this respect, the importance of the cooperation and commitment of the Member States in the implementation of a financial sanction, considering that it rests entirely in the domestic jurisdiction. Recent legislation issued by the European Union facilitated the actions taken by the member countries to comply with the measures imposed by the Security Council.

Update on assets reported

147. During the period under review, the Mechanism has not received any reports from Member States of newly located financial assets of any form or type, and this may be attributed to either or both of the following: (a) there are no assets beyond what has already been found; or (b) a thorough search for such assets has not been made, for example, by investigating major past financial flows through the asset holding accounts and records so that other connected persons and assets can be identified.

148. Regarding the importance of investigating both the present and past financial flows in asset holding accounts and records, the Mechanism is able to report that it has not received any evidence that this aspect of the recommendation has been thoroughly implemented. The matter therefore remains outstanding.

149. Some countries have not investigated prior financial flows, stating that the relevant resolution calls only for the freezing of bank accounts. The Mechanism has noted, however, that in one country past and present flows have been adequately investigated. The potential for varied implementation of measures underlines the importance of standardizing enforcement through detailed guidelines.

Importance of profiling identified financial assets belonging to UNITA or its senior officials

150. Some countries have reported the existence of financial assets subject to the Security Council measures. They have advised that such assets have been frozen, but without giving further details such as the amount, type or form or institutions where they are held.

151. The Mechanism has already requested those countries which reported the existence of financial assets to provide the kind of analysis referred to above. The information is still outstanding.

Confidentiality rules in offshore financial centres

152. It is clear, at least on paper, that offshore centres are not designed to facilitate the perpetuation of illicit operations. In fact nearly all offshore centres have claimed that they do not and will not allow their financial systems to be used as conduits for illicit purposes.

153. In practical terms, the banking or other financial confidentiality laws that exist in some of the offshore centres have presented major obstacles to the Mechanism's efforts to obtain information relevant to the furtherance of its investigative objectives. Such obstacles were largely by regulatory design. To appreciate this point, it is important first to note that all businesses that are incorporated or registered in offshore financial centres are by law forbidden from conducting any of their operations in those centres and so do not maintain a physical presence in those places. They therefore have to conduct their operations elsewhere. In the offshore

centres, they will appoint a financial services company to act as an agent, which will perform all corporate formalities such as company secretarial services.

154. In illicit operations, financial flows into offshore centres are simply meant to disguise the original source of the funds, as the money is subsequently transferred onshore to meet certain financial obligations. When financial flows are routed through an offshore centre, the paper trail is lost, not because of the absence of records, but because of restricted access to those records. This has been one of the modes of financial operation used by UNITA; offshore centres were used significantly for transfers of funds and for undertaking arms-brokering deals. The lack of transparency in the offshore centres therefore made it difficult to locate UNITA financial assets and identify the persons involved. It is therefore not surprising that some companies which brokered the purchase of arms delivered to UNITA were incorporated offshore.

155. Nevertheless those companies conduct their operations onshore through individuals, companies and accounting offices, on an agency basis. The agents know the principals who appoint them. In some cases they may even be principals themselves — there are indications of this in at least one case — or they may simply be hiding behind the complex structure of offshore incorporation. The Mechanism recommends that arms-brokering activities by offshore companies be regulated, and that agents of offshore companies involved in sanctions-busting transactions be held accountable.

Financial sanctions need to be accompanied by operating guidelines

156. The Mechanism's experience in the area of financial sanctions is that the broad and often generalized nature of the text of a measure may produce a situation where each Member State is left to determine, in its own way, both the scope and depth of enforcement. Although a standard definition of financial assets would include assets such as bank accounts, income-producing properties, equity and other capital instruments, money market funds etc., the application of the measures seems to be restricted to bank accounts only — while assets such as shares in companies, income-producing real estate etc., could be just as important. Despite this, the Mechanism is not convinced that significant measures have been taken to locate and freeze these other forms of assets.

157. There have therefore been varying interpretations and standards of enforcement of the freeze on assets. The Mechanism has been able to conclude that the measures concerning the freeze would have been more effective if they had been accompanied by guidelines providing clear definitions of procedures and the scope of the measures, including a definition of financial assets. In this regard, the recommendations of the Interlaken Process could prove useful.

Financial sanctions require immediate application

158. Since the adoption of measures to freeze assets took some time, its implementation by Member States was not immediate. UNITA was therefore fully aware of the impending financial asset freeze, and responded by reorganizing its operations, shifting financial responsibilities from known leaders to others.

Cooperation with regional and subregional organizations

159. During the current mandate, the Mechanism continued building a close partnership with regional and subregional organizations. With regard to the African Union (see annex I), the Mechanism expresses its particular appreciation for the valuable cooperation established with the Ad Hoc Committee on the Implementation of Sanctions against UNITA. The Committee's observations and conclusion deserve special attention, and could be considered in similar situations in the future.

160. The Mechanism is pleased to attach the report of the Southern African Development Community (annex II) concerning the implementation of the sanctions against UNITA, which highlights the scope of the work undertaken by the subregion. The Mechanism is especially grateful for the cooperation received from the Executive Secretariat in the fulfilment of its mandate.

VI. Concluding remarks

161. The road has been long, but now peace appears to be around the corner, and Angola can look forward to a better future of national reconciliation, reconstruction and development.

162. In this context, the contribution of the United Nations — in particular of the Security Council — has been important. It therefore seems timely to assess this case so as to capitalize on the experience gained that could be applicable to other similar situations.

163. There is no doubt that, when the sanctions are monitored and violations investigated, and the Governments, authorities or individuals implicated in those violations receive public exposure, sanctions have an impact and become a real instrument of peace. Mere vigilance over a sanctions regime, moreover, constitutes a deterrent that also contributes to increasing its efficiency.

164. Above all, the active cooperation of the Member States and international, regional and subregional organizations is paramount for the effective implementation of sanctions. Obtaining their full engagement in achieving the ultimate objective pursued by the Security Council is an indispensable task.

165. The conflict in Angola is over, we hope forever, but the criminal networks that were vital in sustaining this long and exhaustive war effort are still there, looking for new opportunities from which to profit. The international community has to remain alert and work together to impede these merchants of death and destruction. Only a concerted effort can succeed in this endeavour.

166. At the same time, the humanitarian situation is so precarious that it requires urgent action to show the former combatants that the advantages of peace are much greater than the pursuit of war.

167. The dynamic of peace that has started in Angola could have a positive effect on efforts to reduce the prevailing factors of instability in the subregion. This promising momentum must be encouraged.

Annex I

Summary of the activities of the Organization of African Unity Ad Hoc Committee on the Implementation of Sanctions against UNITA and assessment of its collaboration with the Monitoring Mechanism

I. Introduction

1. The OAU Ad Hoc Committee on the Implementation of Security Council Sanctions against UNITA was established in July 2000, in Lome, at the seventy-second ordinary session of the Council of Ministers, with a view to carrying out the contribution of the continental organization towards a more scrupulous implementation of Security Council sanctions against UNITA. The membership of the Ad Hoc Committee comprised Nigeria (Chair), Namibia (Rapporteur), Algeria, Equatorial Guinea and Madagascar.

2. The Council of Ministers took this initiative following the publication of the Fowler Report to the Security Council, in April 2000, that exposed the practice of some United Nations and OAU Member States that were undermining the effective implementation of the sanctions against UNITA.

II. Background

3. Following the rejection of the results of the 1992 parliamentary and presidential elections by Jonas Savimbi, leader of UNITA and the resumption of fighting in Angola, the Security Council adopted resolution 864 (1993), and subsequently resolutions 1127 (1997) and 1173 (1998), all imposing measures on UNITA with a view to halting the conflict in Angola and restoring calm and lasting peace in the country.

4. At its 4129th meeting held in April 2000, the Security Council adopted resolution 1295 (2000) and requested the Secretary-General to establish a Monitoring Mechanism to collect relevant information and investigate relevant leads relating to any allegations of violations of sanctions with a view to improving the implementation of the measures imposed against UNITA.

5. In view of the escalating conflict in Angola and its devastating humanitarian impact on the civilian population, the OAU Council of Ministers, meeting in Algiers in July 1999, called on all States members of OAU to work strenuously in the implementation of all Security Council resolutions, relating to measures that had been imposed on UNITA by the Council.

6. Further, in the light of its deliberations at its previous meeting in Algiers, and having duly considered the findings contained in the Fowler report, the OAU Council of Ministers adopted decision CM/Dec.2164 (LXXII), at its seventy-second ordinary session in July 2000, in Lome. In the decision, Council "expressly decided to set up an Ad Hoc Committee to evaluate the implementation of Security Council resolution 1295 (2000), particularly with regard to the sanctions contained in chapters A, B, C, D, E, F and G". It further "decided to mandate the Secretary-General to propose additional measures to guarantee the effective implementation of

Security Council resolution 864 (1993) against States", and to seek information relating to the violation of sanctions against UNITA by OAU member States, in keeping with the provisions of the OAU and United Nations Charters.

III. Activities of the Ad Hoc Committee (August 2000-July 2002)

7. In the pursuit of its mandate, the Ad Hoc Committee convened several preparatory meetings to deliberate on its agenda and to establish relevant contacts in Africa, United Nations Headquarters and elsewhere, that would facilitate its work. More essentially, it undertook a number of fact-finding missions in fulfilment of its mandate. In this respect, its task was facilitated by the cooperation and support of OAU member States, the relevant committees of the United Nations Security Council, charged with the responsibility of implementing sanctions against UNITA, specialized agencies and regional organizations in Africa.

8. To date, the Ad Hoc Committee has undertaken a number of fact-finding missions during which it consulted with relevant authorities and international institutions and collected relevant information on measures that were being taken by different parties to implement sanctions. These include the following:

- At the earliest phase of its mandate, the Ad Hoc Committee undertook missions to southern Africa, visiting Angola, from 22 to 26 March 2001, to consult with the Government. While they were in Angola, they also consulted the Chairman of the Security Council sanctions Committee, Ambassador Ryan, who was on a visit to consult with the Government of Angola at the same time. The Ad Hoc Committee also consulted with the SADC secretariat in Gaborone, in view of Security Council resolution 1295 (2000).

- Subsequently, the Committee visited New York, on 16 and 17 April 2001, to confer with the respective chairpersons of the Security Council sanctions Committee and the Monitoring Mechanism. It also met the President of the Security Council, the African Group of Ambassadors and the caucus of the Non-Aligned Movement in the Security Council. Furthermore, the Ad Hoc Committee consulted with the Under-Secretary-General and Special Adviser on Africa, Ibrahim Gambari, and the then Assistant Secretary-General for Political Affairs, Ibrahim Fall. These meetings were very helpful.

- Next, the Ad Hoc Committee undertook visits, from 23 February to 1 March 2002, to Nigeria and Benin; and to Côte d'Ivoire and Burkina Faso. During these visits, the Committee benefited from the support of the respective authorities of the countries mentioned, which provided it with relevant information on the measures they were taking to implement the sanctions against UNITA.

- Lastly, the Ad Hoc Committee visited Zambia and Namibia, from 4 to 9 June 2002, and then Togo and South Africa, from 4 to 12 June 2002. Notably, these missions were helpful in sourcing additional relevant information on the measures taken by these countries in compliance with Security Council resolutions.

- Periodic reports on the activities of the Committee were submitted to the Council of Ministers between July 2001 and July 2002.

IV. Collaboration between the Ad Hoc Committee and the Monitoring Mechanism: nature and impact

9. The initiative for closer collaboration between the Ad Hoc Committee and the Security Council Monitoring Mechanism started at the earliest phase of the activities of the Committee, as indicated above, when its members undertook a visit to United Nations Headquarters early in 2001. It was during the consultations at the time that the need for coordinated efforts in the course of monitoring the implementation of the sanctions regime imposed on UNITA was strongly underlined, as it was felt that such a concerted effort would reinforce the implementation of sanctions against UNITA.

10. The Ad Hoc Committee maintained regular contact with the Monitoring Mechanism whose Chairman, Ambassador Juan Larrain, also visited Addis Ababa, from 11 to 13 March 2002, on the sidelines of the seventy-fifth ordinary session of the Council of Ministers. The visit afforded an opportunity for an in-depth exchange of views on the implementation of United Nations sanctions against UNITA and measures to enhance their effectiveness. Furthermore, the visit provided an auspicious occasion for the Ad Hoc Committee to learn about the progress that the Monitoring Mechanism had made.

11. Ambassador Larrain's visit to Addis Ababa was also significant because it enabled both parties to reach a consensus on the need for sanctions to remain in place in spite of the demise of the UNITA leader, Jonas Savimbi, and the hopeful signs this brought with respect to the peace process in Angola. On that occasion too, Ambassador Larrain was received in audience by the then OAU Secretary-General, Amara Essy, who shared with him his impression of the work of the Monitoring Mechanism and the Ad Hoc Committee, as well as his vision on how the peace process in Angola should proceed.

V. Observations

12. There seems no doubt that the effective implementations of Security Council sanctions against UNITA greatly contributed to the demise of UNITA, thanks to the collaborative efforts of the relevant United Nations and OAU committees, as well as the support of the international community. In particular, it is noted that:

(a) During the period from August 2000 to July 2002, the collaboration of OAU and the United Nations, through the Ad Hoc Committee and the Monitoring Mechanism respectively, provided significant opportunities for both organizations to cooperate closely and to strengthen the implementation of the sanctions against UNITA;

(b) The strong and united effort made by the Security Council, OAU and the international community, as well as their determination to resolve the conflict in Angola, sent a clear message to the political and military leadership of UNITA, to fulfil its obligations under the Lusaka Protocol, to cease its military activities and to resort to peaceful political activities;

(c) The collaborative work in implementing the sanctions regime helped to expose, to the international community, the States, leaders and organizations that violated the United Nations sanctions. This in turn was instrumental in persuading

non-complying and sanctions-busting United Nations and OAU Member States to refrain from their actions and to lend their full support to the effective implementation of Security Council sanctions against UNITA;

(d) The collaborative efforts encouraged regional organizations, in particular, the Southern Africa Development Community (SADC) and the Economic Community of West African States (ECOWAS), to take more rigorous measures, in line with Security Council resolutions, in implementing sanctions against UNITA;

(e) The collaboration created a solid platform for a continuous exchange of information that enabled the Ad Hoc Committee to follow what United Nations and OAU Member States, international institutions, regional organizations and private business entities were doing to implement the sanctions and to disassociate themselves from UNITA activities. It also enabled the Monitoring Mechanism to follow the initiatives and measures taken by OAU, its member States, SADC and ECOWAS, to render the sanctions more effective;

(f) Finally, the positive gains derived from the collaboration between the Ad Hoc Committee and the Monitoring Mechanism are an important indicator of the need to build a strong framework of collaboration among Member States, international institutions and regional organizations, to give more effect to the sanctions regime whenever it is adopted in other cases.

13. With specific reference to the OAU Ad Hoc Committee it is noted that all States members of the continental organization fully appreciated its work. Member States were proud that the Organization took practical steps, not only to support actions initiated by the Security Council, but also to ensure that all Member States respected their obligations to the United Nations and OAU. Similarly, the various African regional economic communities, especially SADC and ECOWAS, appreciated the work of the Ad Hoc Committee, which encouraged them to also bring pressure to bear on their member States to ensure that United Nations sanctions against UNITA were implemented. Finally, the setting up of the Ad Hoc Committee demonstrated to the whole world that Africa was ready to play its part in bringing peace to Angola.

14. In carrying out its work, the Ad Hoc Committee consulted very closely with the Government of Angola which, at various meetings of the Executive Council, expressed its appreciation for the Committee's work.

15. It was in view of the success of the Ad Hoc Committee that the Council of Ministers, at its seventy-sixth ordinary session, held from 28 June to 6 July 2002 in Durban, South Africa, underscored the need to maintain sanctions against UNITA until the peace process is consolidated in Angola. To this end, Council welcomed the decision of the Security Council of 18 April 2002 to extend the mandate of the Monitoring Mechanism for a period of six months. It is expected that the Ad Hoc Committee will continue with its work with a view to making another report to the Executive Council of the African Union in February 2002.

VI. Conclusion

16. The close cooperation between the Monitoring Mechanism and OAU Ad Hoc Committee, as well as the encouraging developments in the peace process in Angola, reinforces the need for an even closer collaboration in the future between

the United Nations and regional organizations, and provides important lessons for the international community in its efforts to establish a robust sanctions regime applying in different situations. It is quite clear that the sanctions regime against UNITA has been the most successful in the history of the United Nations. This was made possible by the vigorous and coordinated manner in which the United Nations pursued implementation of sanctions against UNITA. This was reinforced by the collaboration between the United Nations and the OAU/African Union.

17. Now that peace is being re-established in Angola, the existing spirit of collaboration should be extended to the post-conflict phase to help the authorities and the war-affected populations in Angola to rebuild their social and economic life. In this light, and as underlined by the Council of Ministers in Durban, in July 2002, priority should be given to the clearance of landmines, humanitarian relief, rehabilitation activities and the reactivation of agricultural production in rural areas.

Annex II

Report on the activities of the Southern African Development Community relating to the implementation of the United Nations sanctions against UNITA

August 2002

1. Introduction

This report to the Monitoring Mechanism on Sanctions against UNITA outlines progress made by the Southern African Development Community (SADC) on the implementation of the United Nations sanctions against UNITA. These activities are supplementary to those of each SADC member State.

The United Nations Security Council imposed sanctions on UNITA in order to prevent UNITA from pursuing its objectives through military means. United Nations Member States are required to comply fully with the requirements contained in all relevant Security Council resolutions imposing sanctions against UNITA and to fully cooperate with the sanctions Committee. The following sanctions have been imposed against UNITA:

(a) Arms and petroleum embargoes — Security Council resolution 864 (1993) of 15 September 1993;

(b) Travel ban on senior officials of UNITA and adult members of their immediate families; closure of UNITA offices; the prohibition of flights of aircraft by or for UNITA; and the supply of any aircraft, aircraft components, or aircraft servicing to UNITA — resolution 1127 (1997), adopted on 28 August 1997;

(c) Freeze UNITA funds and ensure that those funds are not made available directly to or for the benefit of UNITA as an organization or of senior officials of UNITA or adult members of their immediate families; take the necessary measures to prevent all official contacts with UNITA leadership; prohibit import of diamonds from Angola not controlled through the Government's Certificate of Origin; prohibit the sale or supply to persons and entities, in areas of Angola to which State administration had not been extended, of equipment used in mining or mining services as well as motorized vehicles or watercraft or spare parts for such vehicles, or ground or waterborne transportation services — resolution 1173 (1998) of 12 June 1998.

2. Implementation of sanctions

In August 2001, the SADC Council of Ministers established an inter-sectoral Committee, comprising the sectors of energy, mining, and transport and communications, to monitor the implementation of the Security Council resolutions on sanctions against UNITA. The work of the Committee will be undertaken under the auspices of the Organ on Politics, Defence and Security.

Progress made by SADC on implementation of the Security Council resolutions by the Committee is reported under energy, mining, transport and communications and politics, defence and security.

2.1 Energy

The SADC Council of Ministers created a Task Force headed by the Director of the SADC Energy Commission and composed of South Africa and Zimbabwe. The mandate of the Task Force was to compile data and formulate a strategy to stop the supply of petroleum products to UNITA. In this context, the Task Force was to collect data such as import and export data, possible supply routes, refuelling stations for long-haul flights, border points and suppliers, companies involved in moving fuel within the region, discrepancies between petroleum imports and consumption.

The Task Force has now identified the issues to be tackled, data and other information to be collected, and the institutions to be contacted. The work of the Task Force had been delayed due to financial constraints to undertake field visits. However the member States represented in the Task Force made budgetary provisions to enable their officials to effectively carry out their responsibilities. The SADC secretariat has also been tasked to assist in mobilizing resources to facilitate the work of the Task Force.

The Task Force has now completed field visits to member States sharing common borders with Angola, namely, the Democratic Republic of the Congo, Namibia and Zambia. Due to its proximity to Angola, Botswana was also included in the itinerary for the visits. The Task Force members residing in these countries collected data and information on Angola, South Africa and Zimbabwe. The Task Force prepared a progress report that was discussed at the Petroleum Sub-Committee meeting held in Gaborone from 8 to 10 April 2002. The Task Force is in the process of finalizing its report for presentation to the SADC Organ on Politics, Defence and Security.

2.2 Mining

SADC Mining Ministers, in February 2000, at the Mining Indaba in Cape Town, South Africa, agreed that urgent international action was imperative to address the problem of conflict diamonds from negatively affecting the trade in legitimate diamonds, which makes a critical contribution to the economies of SADC member States. Ministers particularly noted that UNITA was able to carry out a large-scale conventional war through the illicit sale of diamonds. The SADC Mining Ministers meeting was followed by a number of meetings at ministerial level. These meetings recommended that a Technical Forum on conflict diamonds be held.

A Technical Forum to address the concerns of conflict diamonds was subsequently held in May 2000, in Kimberley, South Africa. The forum was attended by major diamond producing, processing, exporting and importing countries, industry and civil society. In August 2000, the SADC Council of Ministers pledged support to the process. A series of technical meetings were followed by a ministerial meeting in September 2000 at Pretoria, South Africa.

At the September 2000 ministerial meeting, Ministers from major diamond producing, processing, importing and exporting countries made recommendations on the conflict diamonds issue. These recommendations were subsequently adopted as resolution 55/56 by the United Nations General Assembly. The recommendations' main thrust was to put in place an international certification scheme to regulate world trade in rough diamonds.

Another series of technical meetings were held and were concluded by a ministerial meeting on 29 November 2001 in Botswana. Ministers and the representatives of the world's leading rough diamond producing, exporting and importing States, the European Community, SADC, and other States concerned by the devastating effects of trade in conflict diamonds declared that:

(a) Detailed proposals for an international certification scheme for rough diamonds developed by the participants in the Kimberley Process and presented in the form of Kimberley Process working document 9/2001 dated 28 November 2001, provide a good basis for the envisaged certification scheme;

(b) The certification scheme should be established through an international understanding as soon as possible, recognizing the urgency of the situation from a humanitarian and security standpoint, and those in a position to issue the Kimberley Process certificate should so do immediately. All others are encouraged to do so by 1 June 2002. It is the intention of participants to start the full implementation simultaneously by the end of 2002;

(c) The mandate for the Kimberley Process should be extended until the beginning of the simultaneous implementation, in order to undertake the finalization of the international understanding;

(d) The widest possible participation in the certification scheme is essential and should be encouraged and facilitated.

The Ministers also recognized the need to ensure that the measures taken to implement the international certification scheme for rough diamonds must be consistent with international law governing international trade.

The Ministers recommended that the United Nations take action to support the implementation of the international certification scheme for rough diamonds as an instrument that would help to promote legitimate diamond trade. The scheme would ensure the effective implementation of the relevant resolutions of the Security Council containing sanctions on the trade in conflict diamonds and in turn contribute to the promotion of international peace and security.

The Ministers' recommendations were adopted by the United Nations General Assembly as resolution 56/263 of 13 March 2002. The resolution firmly supports the Kimberley Process working document which provides the basis of the certification scheme.

The accompanying Kimberley Process working document 1/2002, entitled "Essential elements of an International Scheme of Certification for rough diamonds, with a view to breaking the link between armed conflict and the trade in rough diamonds", dated 20 March 2002, provides for the following: controls in producing countries, controls in trading and consuming countries, certificate of origin, re-export certificate, industry chain warranties, World Trade Organization issues, statistics on rough diamond production, secretariat, chairmanship and independent monitoring of national systems.

The international scheme of certification for rough diamonds, with a view to breaking the link between armed conflicts and the trade in rough diamonds, will be launched at a ministerial meeting of the Kimberley Process scheduled for 5 November 2002 at Geneva. The simultaneous implementation of the Kimberley Process certification scheme is expected before the end of 2002.

Each SADC diamond producing country has undertaken to be Kimberley Process compliant by the time of implementation of the certification scheme.

2.3 Transport and communications

The SADC Council of Ministers considered and adopted the following Security Council recommendations pertaining to the transport an communications sector:

(a) Introduction of mobile radar systems that can be rapidly deployed in the subregion for the purpose of detecting illegal flight activities across national borders;

(b) The establishment of a unified air traffic regime for the control of SADC regional airspace, rather than on a country basis.

The SADC Council of Ministers also considered and adopted the following recommendations of the sanctions Monitoring Mechanism:

(c) Member States should consider putting in place tighter controls on operators using "flags of convenience". Thus, if an aircraft operator wishes to use a certain country as a base, that country would then become the designated country of registration;

(d) Sanctions-busters should have their aircraft de-registered. An international list of companies, individuals and aircraft breaking sanctions should be maintained by the United Nations on a permanent basis and provided to those countries that export arms;

(e) Member States should consider introducing legislation regulating the leasing of aircraft for the transportation of weapons. These measures and regulations should include provisions obliging the contracting partners to prohibit the delivery of equipment in breach of Security Council embargoes;

(f) Governments should consider de-licencing pilots known to be violating the United Nations Security Council sanctions;

(g) The international community should consider assisting Member States, where necessary, in acquiring equipment for control of national and regional airspaces.

Progress made to date involves a project on a Mobile Radar System for Detection of Illegal Flights across National Borders. The project is meant to establish and deploy radar systems within the SADC region and to enhance aviation safety and security by detecting illegal flights within the region. For better management, the project is subdivided into phases in which the first phase (the current project) entails analytical work to design the layout for deploying such systems. The terms of reference for the first phase were improved in October 2001 and the cost adjusted to US$ 118,000 to conform to the request of the European Commission, which had expressed interest in supporting the project. This part of the project was then presented to the European Commission in Brussels and the European Commission reiterated its commitment to fund the project.

To this end, the process of looking for a competent regional air traffic services firm or consultant to carry out the work has started. The second phase entails the

implementation of the system following the approval of the project by the SADC Council of Ministers in August 2001.

The other project in the transport and communications sector is the SADC Upper Airspace Control Centre Project. This project is in relation to a unified control of the SADC airspace. A feasibility study to design the system architecture has been completed with grant funding secured from the Government of France. A full report on the system architecture will be presented to the SADC Council of Ministers in September 2002. The project proposes the establishment of a unified SADC upper airspace control centre, in which member States participate as shareholders. Agreement is pending on the location of the SADC Upper Airspace Control Centre and on monitoring responsibilities by member States of the operation of the centralized control centre as well as traffic control in the lower airspace. Funding is being sought for a detailed study leading to the implementation phase of the SADC Upper Airspace Control Centre.

Acknowledging the fact that collaboration with other regional economic groups is essential, SADC is working closely with COMESA to harmonize the implementation of the unified upper airspace control project in the States members of the two economic groupings.

2.4 Politics' defence and security

SADC has developed instruments and an institutional framework that is aimed at ensuring that peace and security prevail, in the region. These developments focus on SADC member States' efforts towards the consolidation of peace, deepening and strengthening of democratic institutions and ensuring public safety and state security.

(a) SADC Protocol on Politics, Defence and Security

SADC concluded the Protocol on Politics, Defence and Security cooperation. This instrument, which has already been ratified by five member States, operationalizes the SADC Organ on Politics, Defence and Security Cooperation. The Protocol constitutes a legal framework for deeper cooperation and integration in matters of politics, defence and security. It also provides policy guidelines on collective and mutual assistance as well as a collective commitment to adhere to the principle of good governance and the rule of law.

Within the framework of the Protocol, SADC willingness to implement the Protocol has been demonstrated by the establishment, in May 2002, in Maputo, of the Inter-State Politics and Diplomacy Committee. That Committee and the Inter-State Defence and Security Committee created in the 1970s constitute the two operational institutions of the SADC Organ.

The apex of the operationalization of the Organ was marked by the first meeting of the Ministerial Committee, held in August 2002 in Maputo.

(b) Protocol on Firearms

SADC has a Protocol on Firearms, Ammunition and Other Related Materials. The long and protracted struggle for political freedom and self-determination left thousands of firearms in the bush and armouries. In addition, post-independence national conflicts coupled with the fluidity of the SADC borders turned the region

into a preferred destination or transit of both small arms and light weapons and heavy weaponry.

The scarcity of financial resources to meet the demands of demobilization and disarmament and the reintegration of the former military personnel following peace settlements in Angola, Mozambique, South Africa and Namibia created a new category of needy social groups. The inability of the countries concerned to fully resettle and reintegrate ex-combatants represented a challenge that only collective action could mitigate.

In the search for survival, some of the former military personnel and internally displaced persons became vulnerable to illicit practices and potential recruits of criminal syndicates. Firearms are closely related to illegal activities and drug trafficking.

The Protocol provides guidelines for collective action against the proliferation of and trafficking in small arms and light weapons. It also spells out concrete indications as to how SADC would cooperate with other international organizations and countries to curb the scourge of illicit firearms that fuel violent crime and poaching.

The Protocol further enables law enforcement agencies to assist in crime prevention by providing relevant information to the development planning institutions on arms trafficking and violent crime.

The provisions of this Protocol are being implemented by the Southern Africa Regional Police Chiefs Organization.

(c) Protocol against Corruption

One of the crucial Protocols signed at the 2001 Blantyre Summit is the Protocol against Corruption. One of the peace dividends in the region is the inflow of investment and attractions thereto. On the other hand the state bureaucracy is undergoing transformation to suite the new reality. In this process, there are many temptations to short-circuit the established rules and regulations. There is also a factor of too high expectations compared to the country's capacity to satisfy the needs. As a consequence, some public and corporate officials become involved in illegal practices in exchange for their services and maximization of profit margins.

This Protocol allows collective actions to address these malpractices. The Protocol demonstrates the willingness of SADC to fight the scourge of corruption not only within the confines of its borders but also beyond. Many SADC member States have, in fact, established anti-corruption bureaux.

3. Concluding remarks

Peace is now a reality in Angola. The Armed Forces of Angola and UNITA military forces, in the spirit of tolerance and forgiveness, signed a Memorandum of Understanding on 4 April 2002 complementary to the Lusaka Protocol, that has led to the end of the armed conflict. One of the critical components of the implementation of the Memorandum was completed on 2 August 2002 with the integration of the former UNITA military personnel into the Angolan Armed Forces.

The challenges facing Angola in this process include the reintegration of the demobilized soldiers and their families, and the national reconstruction. The war left millions of planted landmines and unexplored ordnance that continue claiming victims each day. Thousands of Angolans are scattered in the neighbouring countries as refugees and millions are displaced. Thus, the return to normalcy constitutes a daunting task that will require not only regional but also international assistance.

SADC is committed to the participatory governance process in which all citizens have equal opportunities for access to power and resources and shall continue with the efforts to consolidate peace and political stability. SADC has to proceed with its goal enshrined in its Treaty and subsidiary instruments. SADC has declared war against poverty by placing it at the top of its development agenda.

Annex III

Contribution to the report by the Government of South Africa

September 2002

Introduction

Since its election in 1994, the South African Government has consistently supported all regional and international initiatives aimed at resolving the conflict in Angola. In this regard, the Government remains fully committed to the efforts of the United Nations to bring about peace and stability in Angola and to implementing the decisions of the United Nations Security Council. To this end, the post-apartheid South African Government has undertaken extensive steps to ensure the enforcement of Security Council sanctions against UNITA, including the implementation of new legislation and the upgrading of other control measures.

Despite these efforts, a number of Security Council reports on the implementation of sanctions against UNITA have made mention of South Africa in connection with alleged illegal activities of South African nationals and companies, as well as foreigners and foreign companies allegedly operating from the country. In this regard, the Government has continuously reminded the Mechanism to recognize that the activities of criminal elements represent neither the position of the Government nor that of the country's population in general.

The measures adopted by the South African Government to ensure compliance by its citizens with Security Council sanctions against UNITA are contained in reports and responses submitted by the Government to the former Panel of Experts on Angola on 2 and 22 February 2000, to the Monitoring Mechanism on 11 December 2000, 9 April 2001, 3 October 2001 and 3 April 2002, and to the Chairman of the Security Council Committee on 9 April 2001.

In addition to these written reports and responses, regular visits to South Africa by members of the Monitoring Mechanism were also utilized to exchange views and to share information regarding various issues pertaining to the implementation of sanctions and alleged illegal activities. In this regard, the Government wishes to thank the Monitoring Mechanism for the close cooperation and open channels of communication that have been established and wishes to assure the Mechanism of its continued commitment to the work of the Security Council in support of the peace process in Angola.

At the request of the Chairman of the Monitoring Mechanism, Ambassador Juan Larrain, the South African Government has the honour to share with the Monitoring Mechanism some of the experiences of the South African Government in implementing Security Council sanctions, for purposes of the Mechanism's report to be submitted to the Security Council during October 2002. It is trusted that the suggestions made would contribute to the work of the Mechanism in particular and of the Security Council in general.

Travel restrictions

The Visa and Entry Stoplist, as a tool for the implementation of all Security Council sanctions, can only be used effectively if any United Nations lists provide the minimum requirements for placement on the Stoplist, namely full names, date of

birth and nationality/country of passport. It would therefore be important to ascertain from Member States what information is required in order to ensure the full implementation of travel restrictions.

Diamonds

The fact that diamonds are valuable, portable, easy to conceal, and difficult to identify by origin has made it difficult for Member States to apply the relevant Security Council sanctions effectively. The Kimberley Process, which seeks to establish minimum acceptable international standards for national certification schemes relating to the import and export of rough diamonds, should contribute to efforts by the international community to curb further trade in conflict diamonds.

The diamond industry is of strategic importance to many developing countries and in this regard the publication of statistics on the diamond trade remains a sensitive issue. In many countries, authorities have the fiduciary duty to ensure the confidentiality of commercially sensitive information. Member States are consequently not always in a position to supply the Security Council structures with the requested information, particularly where such information relates to the legal business activities of specific companies. It is therefore important that information on possible illegal activities available to any Security Council structure be shared with the relevant authorities in order to enable these authorities to determine whether sufficient grounds exist for launching criminal investigations against such individuals and/or companies.

Visits by Security Council structures

Visits by Security Council structures constitute an important means of undertaking the necessary dialogue and interaction between the Security Council and Member States. In order to promote maximum efficiency and effectiveness, it is important that the visits by all Security Council structures are coordinated and synchronized. In this regard, improved planning and coordination should reduce the need for multiple field trips and ensure that there is no overlapping. In addition, the sharing of information between the various Security Council structures should also reduce the extensive duplication of information being requested, which places a strain on the capacity of Member States to deliver.

General observations

Solutions to complex problems require the political will of all affected parties and should remain the focus of any Security Council intervention. The implementation of sanctions should therefore always be closely linked to an ongoing political process in pursuit of finding lasting solutions. Conflict can only be resolved in a viable manner through honest and frank dialogue within the context of the relevant multilateral institutions. All parties should therefore refrain from taking unilateral action in favour of multilateral processes.

Closer cooperation between the Security Council structures and the relevant subregional and regional structures, such as the newly created Peace and Security Council of the African Union, should be encouraged in order to improve the effectiveness of sanctions regimes.

Launching of investigations

One of the impediments to the launching of effective investigations based on requests received from the Mechanism, as well as other Security Council structures, is that the allegations or information provided to Member States are often vague, general and unsubstantiated. This places a strain on the limited capacity and resources of the authorities responsible for carrying out investigations. Experience has shown that targeted and focused investigations, based on detailed and accurate information, yield more useful results. In addition, the nature and scope of enquiries related to alleged illegal activities require that realistic timelines be set in order to provide authorities sufficient time for conducting thorough investigations.

Foreign military assistance

The collection of usable intelligence on foreign military assistance remains complicated due to the disinformation and counter-intelligence measures utilized by such individuals and companies to shield their activities. This includes the frequent changing of identities, either by working through new front companies, or by using false names. The conversion of intelligence into evidence has proved to be very difficult as a result of the fact that transgressions are taking place abroad. The strengthening of regional and transnational intelligence structures should therefore be encouraged in order to facilitate closer cooperation between countries in the sharing of intelligence. In addition, regional efforts to align legislative frameworks to ensure greater compatibility between legal processes and to enhance a region's collective ability to enforce sanctions should be actively supported and encouraged.

Funds and financial resources

The contents and format of the lists of persons subject to various sanctions regimes as compiled by the Security Council complicate strict implementation by Member States. In some cases, the inaccurate and/or incomplete details that are provided, i.e. names, birth dates, etc., make it virtually impossible to identify and track individuals in breach of sanctions. In addition, the lists of individuals and entities subject to Security Council sanctions issued by the various Security Council structures differ in format and content and it is not always possible to transmit documents electronically to the relevant authorities due to the format being used. A uniform approach and the simplification of lists by all Security Council structures could assist in the circulation of user-friendly lists that would facilitate implementation.

Transportation issues

In terms of requests for information related to the transportation of goods across borders, it should be noted that, in accordance with archive regulations, most official documents are destroyed after a number of years. Member States are therefore not always in a position to provide information on dated events. It is of vital importance that information sourced by Security Council structures be shared with the relevant Governments as soon as possible for verification and further investigation. The early provision of information and intelligence related to alleged illegal activities would also assist Member States in taking the necessary measures to prevent any such transgressions.

The work of Security Council structures could be further enhanced through greater transparency and improved interaction with national authorities. In creating a permanent database or registers containing information on past sanctions violations, Security Council structures could play an important role in facilitating the sharing of information in order to assist national authorities in their investigations.

The inclusion of unverified allegations and the "naming and shaming" of individuals, companies and entities in published reports of Security Council structures should be handled circumspectly in order to ensure that ongoing investigations are not jeopardized. The responsible Security Council structure should be encouraged to follow a cooperative approach to assist Member States in the overall implementation of sanctions regimes and with investigations into alleged contraventions.

On a practical level it is suggested that the Security Council could further facilitate the implementation and administering of sanctions by developing greater clarity and uniformity of language and technical terminology in its resolutions. In terms of resolutions which contain reporting obligations, it is further suggested that the relevant sanctions Committee could also provide guidelines to Member States on the format and contents of such reports, as was done by both the Afghanistan and Counter-Terrorism Committees.

In order to improve the effectiveness of sanctions regimes, the Security Council may wish to consider the establishment of a permanent central mechanism for monitoring implementation of all sanctions regimes. Many sanctions-related issues are of a cross-cutting nature and such a permanent central mechanism will be able to ensure better coordination of information and activities across all sanctions regimes, standardize procedures and develop uniform language and technical terminology.

Conclusion

Finally, the Government of South Africa wishes to thank the Monitoring Mechanism for its ongoing efforts in support of the peace process in Angola. The success of this process is not only of importance to the people of Angola, but is also pivotal to peace, security and stability in the southern African region as a whole and a prerequisite for achieving the goals of the New Partnership for Africa's Development (NEPAD).

Annex IV

Recommendations of the first Interpol meeting on arms trafficking in eastern and southern countries

Harare, 15 and 16 April 2002

1. That harmonization of legislation should be undertaken in order to update existing laws on issues such as:

- Arrest, prosecution and conviction of persons involved in illegal possession, importation, exportation, brokering or smuggling of firearms
- Standardization of sentences
- Cross-border policing.

2. That regulations and procedures in relation to the import and export of arms and ammunition should be harmonized to facilitate the checking and examination of documentation at the point of entry and exit.

3. That joint operations should be conducted between neighbouring countries.

4. That neighbouring countries should be encouraged to share information and intelligence.

5. That a database should be established at a national level for legally owned firearms in order to facilitate and expedite firearms tracing. The database should be established in a specific format in order to facilitate:

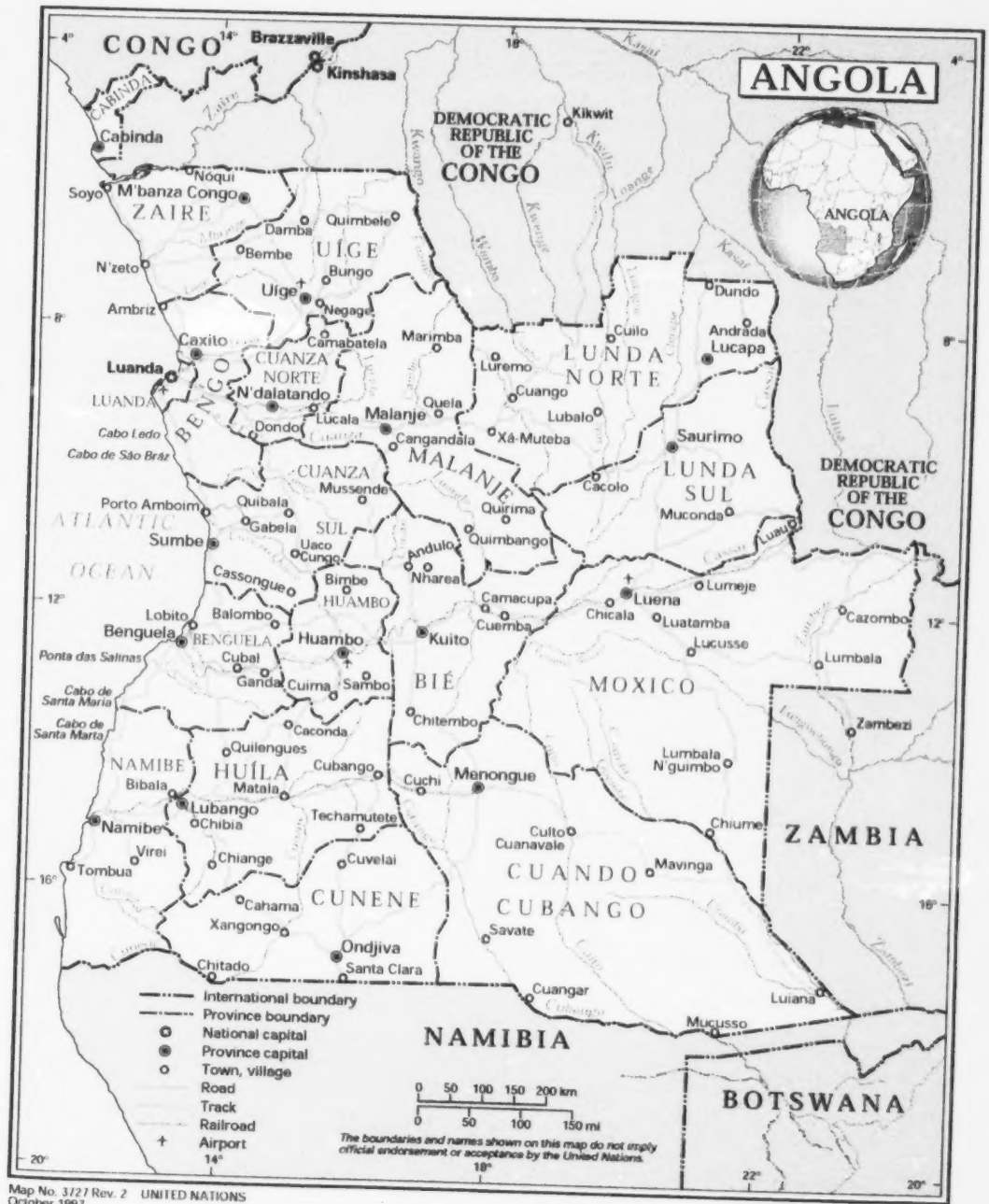
- Search capability per serial number, make, calibre, model number type and country of manufacturer
- Search capability per licensed owner (name, identity number, passport number, address, date of birth)
- Search capability on licensed firearms dealers and their stock.

6. That the database should also indicate if the firearm was stolen and recovered. Case reference number plus station name should be indicated.

7. That the database should provide information on the export and import of firearms, with details on make, model, calibre, serial number, type, manufacturer of the firearm, the date of export and/or import, the date of issue of permit, the permit number, and the port from which it is exported or imported.

8. That information on international cases should be provided to the Interpol Secretariat General central database, using existing tools like ROCISS (Regional Organized Crime Information Sharing System) and the X-400 input and future operational tools like the Interpol Weapons and Explosives Tracking System (IWETS), when it is established.

9. That a regional database should be established at the headquarters of the regional police organization.



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